



Daily Report

China

FBIS-CHI-89-025
Wednesday
8 February 1989

Daily Report

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General

'Commentary' on Takeshita's U.S. Visit

OW0702182489 Beijing XINHUA in English
1650 GMT 7 Feb 89

[“XINHUA commentary on Japanese Prime Minister's Trip to U.S.,” by Zhu Ronggen—XINHUA headline]

[Text] Tokyo, February 7 (XINHUA)—What did Japanese Prime Minister Noboru Takeshita accomplish in his week-long visit to the United States?

Takeshita returned here this evening from his third trip to Washington confident of having cemented a “mutual trust relationship” with new U.S. President George Bush. Analysts here say that what that amounts to is a promise from Takeshita to shoulder heavier burdens.

What Bush may have accomplished during the talks is a pledge from Takeshita that Japan would do its utmost to share international and economic responsibilities with the United States.

However, contrary to Japan's expectations, President Bush asked only that Japan assume greater responsibility in furnishing economic aid to developing countries. The U.S. Administration did not fulfill Japanese hopes that it would be asked to play a greater military role.

However, Japan, whose economy is growing rapidly, is determined to play a greater role in defending international security.

While Takeshita concedes that no Western country could replace the U.S. in its leadership role, he wants Japan to establish an equal partnership with the United States in its own way.

For this, he offered a three-point proposal to participate in U.S. world strategy—cool-headed dialogue, policy coordination and joint operation.

What isn't clear in early reports of the prime minister's trip is what has been accomplished to smooth out a number of economic frictions between Japan and the United States. Until these frictions are dispelled, the Japanese-U.S. relationship on international issues is likely to remain a cautious one.

Soviet Union

Rogachev 'Impressed' With Deng Xiaoping Meeting

OW0802072689 Beijing XINHUA in English
0644 GMT 8 Feb 89

[Text] Moscow, February 7 (XINHUA)—The agreement on the specific dates of the upcoming Sino-Soviet summit is “undoubtedly a major result” of the recent China visit by Soviet Foreign Minister Eduard Shevardnadze, a senior Soviet official said today.

First deputy foreign minister. Igor Rogachev, told a press conference Tuesday that the Soviet Union and China agreed that the Sino-Soviet summit, scheduled for May 15-18, is of historic significance, for it “signals a complete normalization of Sino-Soviet relations.”

Rogachev accompanied Shevardnadze on a visit to China on February before they went to Pakistan. They returned to Moscow Monday afternoon.

Rogachev said he was deeply impressed by his lengthy, substantial talks with senior Chinese leader Deng Xiaoping, whom he called the “veteran fighter of the Chinese revolution.”

The reactions, including those of many Western countries, to the visit are good as a whole, Rogachev said, noting that time has convincingly shown that in a world of mutual dependence today, the improvement of ties between any two countries will only benefit all instead of harming the interests of a third country.

Referring to the Soviet-Pakistani talks, Rogachev said both sides stood for an end to the Afghan conflict and establishment of peace and stability in the country.

He hoped that Pakistan would no longer supply weapons to the Afghan rebels from its territory.

He said the Soviet Union still supports Afghan leader Najibullah's policy of national reconciliation.

Rogachev said the Soviet Union will withdraw all of its troops from Afghanistan before February 15, as set by the Geneva accord.

The official Soviet news agency TASS reported Tuesday night that about 35,000 Soviet troops left Afghanistan during the second phase of the pullout.

Commentary on Improving Relations With USSR

OW0702161789 Beijing BEIJING REVIEW
in English No 5, 30 Jan-5 Feb 89 pp 4-5

[Commentary by special commentator Yi Chu: “An Auspicious Year for Sino-Soviet Relations”]

[Text] According to Chinese folk custom, Years of the Dragon are particularly auspicious. So it proved for Sino-Soviet relations in 1988.

In the past year the international situation underwent spectacular changes. Soviet and U.S. leaders were frequently in touch, exchanges between East and West Europe were sprightly, the temperature in “hot spot” regions generally declined. It can be said that defusing the military confrontation, relaxing the tension, launching extensive economic cooperation and striving to develop economy and technology have become a global quest.

Peace and development have become the main trend of our times. It was under such circumstances that gratifying changes took place in the Sino-Soviet relations.

It is well-known that since the end of the 1950's Sino-Soviet relations have been abnormal and even sometimes characterized by sharp confrontation. During this period the Chinese side has always persisted in separating ideology from the countries' relations, advocating the realization of a normality in relations based on the five principles of peaceful coexistence. It has also made unremitting efforts to improve such relations with the Soviet Union.

Since 1982, when China and the Soviet Union began to hold political consultations on their relationship at the vice foreign ministerial level, headway has been made. Such efforts have improved intercourses in the fields of economy, trade, science and technology, and culture. For example, trade volume between the two countries in 1981 was only 410 million Swiss francs, but in 1988 it amounted to 4.09 billion Swiss francs, increasing nearly nine times. Another example: In 1983, when both sides resumed student exchanges, they only swapped 10, but in 1988 it had increased to 450. Last year 400 delegations and groups shuttled between the two countries. Such big exchanges were a pipe dream 6 years ago. It is also worth pointing out that the negotiations between China and the Soviet Union on the border, which resumed in 1987, have also realized progress. After three rounds of talks, the two sides have reached a consensus on most parts of the Sino-Soviet border's eastern sector and have begun to confer concerning the western sector.

However, it is a pity that a political breakthrough in Sino-Soviet relations was not made before 1988. This is because no substantial progress had been made in removing the three major obstacles to Sino-Soviet normalization. This situation has changed since early 1988. As the adjustment of its foreign policy gains momentum, the Soviet Union has gradually taken some positive measures.

First, the Soviet Union promised in the Geneva Accords to withdraw all its troops from Afghanistan by February 15 this year, and it has already brought home half of its forces.

Second, following the partial troop withdrawal from the People's Republic of Mongolia, Soviet leader Mikhail Gorbachev, in his address to the UN General Assembly session at the end of last year, declared that the Soviet Union will pull out most of its troops stationed there and at the same time it will greatly reduce its forces on the Soviet Asian continent including forces stationed along the Sino-Soviet border.

Third, and foremost, is the change in the Soviet Union's attitude towards the biggest obstacle impeding normal Sino-Soviet relations—the Kampuchean issue. In the past the Soviets refused to discuss it with China under the

pretext that they had nothing to do with it. Now Moscow has begun to recognize that the Kampuchean issue is an impediment to Sino-Soviet relations, agreeing that both sides will specifically discuss this issue and clearly indicating that it is willing to make its own contribution towards an early settlement of the Kampuchean issue.

Because the above-mentioned signs bode a favourable diplomatic wind, Sino-Soviet relations have taken a turn for the better. The highwater mark so far has been Chinese Foreign Minister Qian Qichen's visit to the Soviet Union last December. This was the first formal visit of a Chinese foreign minister to Moscow since 1957. In their talks both sides have enhanced mutual understanding, established more common points and narrowed differences on the main topic of discussion—the Kampuchean issue. On this basis both sides expressed optimism towards the possibility of holding a Sino-Soviet summit in the first half of this year.

Looking to this year, it can be predicted that the coming meeting between the Chinese and Soviet foreign ministers in Beijing will accelerate the normalization process that has begun and prepare for a Sino-Soviet summit. As a result, the trend of Sino-Soviet relations has now become a hot theme of discussion in international politics. Universally, political minds have concentrated on the prospects for Sino-Soviet relations and their international impact. Although we can hardly make a thorough prediction about this, two points are certain: One, the maturation of Sino-Soviet relations will not mean a regression to a 1950s-type alliance. The foreign policy of independence and peace pursued by China will not change, and this normality will not affect the development of friendly relations between China and other countries. Two, the end of abnormal relations between China and the Soviet Union and the establishment of a new type of relations based on the Five Principles of Peaceful Co-existence will surely be another surge in the global current that is turning confrontation and tension into dialogue and detente. It also will be conducive to international stability, world peace and development.

Soviet Diplomatic Gains in 1988 Reviewed

*CW0802075889 Beijing BEIJING REVIEW
in English No 5, 30 Jan-5 Feb 89 pp 11-15*

[Article by She Duanzhi: "Soviet Diplomatic Harvest in 1988"]

[Text] The world benefited much last year from a comparatively peaceful and stable international environment as some "hot spots" were resolved and others began to cool down. To some extent such a trend was linked with Soviet efforts under Mikhail Gorbachev's "new thinking" in diplomacy.

The Soviet Union mainly did three significant things in 1988: signed the Geneva accord in April under which the Soviets were required to vacate Afghanistan in nine months, starting May 15, thus setting an example for

resolving the world's regional conflicts; ratified in May the treaty on eliminating the U.S. and Soviet intermediate-range nuclear forces (INF), bringing about for the first time in human history real nuclear disarmament and deepening mutual trust between the United States and the Soviet Union; and third, announced in December a unilateral cut of 500,000 Soviet troops and a considerable amount of conventional weapons, opening a new page in Moscow's efforts to improve relations with the outside world, Western Europe in particular.

Judging from the Soviet diplomatic endeavours in 1988, the Soviets seemed to concentrate on finding the right pieces to the Afghanistan puzzle and brushing up for the fourth U.S.-Soviet summit in the first half of the year and in the second, on wooing Western Europe and the Asian-Pacific region.

The issue of Afghanistan was really a litmus test for Gorbachev's "new thinking." In late 1979 the Soviet Union lumbered into the Central Asian Muslim country in serious violation of the norms in international relations. Moscow was given the cold shoulder in international forums, such as the United Nations. The almost decade-long war in Afghanistan proved beneficial to nobody but rather constituted a stumbling stone in the new Kremlin leader's efforts to improve his country's relations with the West, the United States in particular. Therefore, to resolve the knotty problem became quite urgent.

Mending U.S. Ties

Since World War II, the Soviet Union and the United States, ascending to global superpowers, have become arch rivals. Ideological differences, historical misunderstanding and conflicting global strategies have built up a huge wall of deep distrust and suspicion between them. The world also fell victim to this rivalry.

When Gorbachev became chief of the Kremlin, in order to advance his "new thinking," improved relations with the United States became the target of Soviet diplomacy. Last year saw a back-slapping change in Soviet-U.S. relations, represented by the unprecedented fourth summit meeting between U.S. President Ronald Reagan and Gorbachev. The basic tune in the relationship has changed from military confrontation to dialogue and cooperation. As a dyed-in-the-wool conservative, Reagan once condemned the Soviet Union as an "evil empire." But in May last year, all smiles, he said that the remarks were made "at another time and another place" while walking cordially with Gorbachev in Moscow's Red Square. This about-face of attitude is widely believed to be significant.

The script of U.S.-Soviet dialogue expanded from political, economic and cultural to military. Last year U.S. Secretary of Defence Frank Carlucci visited the Soviet Union and eyed some military installations kept secret to Americans before and Soviet chief of Staffs of the Armed Forces Sergey Akhromeyev did likewise on a reciprocal

trip to the United States. Apart from the ratification of the INF treaty, negotiations on chemical weapons and strategic nuclear arms also reported progress.

While attending the UN General Assembly session in New York last December, Gorbachev held a mini-summit meeting with Bush, then U.S. President-elect, and the outgoing President Reagan. The three leaders agreed to continue efforts to improve the superpower relations.

European Security

The thawing of U.S.-Soviet relations also gave a breezy boost to improved relations between the Soviet Union and Western Europe. From mid-October to late November, Gorbachev hosted visits by Austrian Federal Chancellor Franz Vranitzky, Italian Prime Minister Ciriaco de Mita, West German Chancellor Helmut Kohl and French President Francois Mitterrand. Soviet Foreign Minister Eduard Shevardnadze visited France, and Gorbachev's planned journey to Britain was cancelled only by a sudden earthquake in the Soviet Armenia.

Security is the biggest concern of Western Europe. In light of a possible withdrawal of the U.S. nuclear protection umbrella from Europe, West European countries are increasingly worried about a conventional imbalance with the Warsaw Pact having the edge. To dispel the worries, Gorbachev chose a very good place and time. On December 7, Christmas Eve, [as received] at the headquarters of the United Nations, he announced a unilateral cut of 500,000 troops at home and 50,000 in Eastern Europe, along with a considerable reduction of conventional weapons in Europe. This culminated the Soviet Union's efforts to improve its image in the world, and the move won worldwide acclaim.

Asia-Pacific Trade

While smiling at Western Europe, Gorbachev did not forget to win the favour of the Asian-Pacific region, an area that is looming as the focus of world trade and economy. During a trip to the Siberian city of Krasnoyarsk in mid-September, Gorbachev offered a new "proposal on peace and cooperation in the Asian and Pacific region," in which he asserted that if the United States would abandon its military bases in the Philippines, the Soviets would give up the Cam Ranh Bay naval base.

The Kremlin leader also declared that his country wants full normalization of relations with China and is prepared to establish trade and economic ties with South Korea with the improvement of the situation on the Korean Peninsula. Chinese Foreign Minister Qian Qichen paid a visit to Moscow in early December, the first such trip in 31 years, to prepare for a 1989 Sino-Soviet summit.

Soviet Foreign Minister Eduard Shevardnadze paid a shuttle visit to Japan, the Philippines and the Democratic People's Republic of Korea from December 18 to 24. During the trip, Shevardnadze said for the first time that a visit to Japan by Gorbachev is now on the political agenda.

In March the Soviet Union founded the Committee on Asian-Pacific Economic Cooperation as a first step to take part in the economic activities in the region. In October 1-3 the Soviet Union for the first time held an international symposium in Vladivostok on peace, dialogue and cooperation in the Asian-Pacific region.

India remains the Soviet Union's closest friend in Asia. Gorbachev arrived in New Delhi on November 17, his second trip there in two years, and signed a series of agreements that envisaged further exchanges in the fields of economy, trade, culture, science and technology.

Economic Gains

One pocket-jingling feature of the new Soviet diplomacy is that economic interests are now being taken into consideration along with political and diplomatic endeavours.

The ongoing campaign of perestroika (restructuring) requires a peaceful international environment and huge sums of funds and advanced technology from the West. Foreign policy must serve this end by jelling the role of trade in diplomatic activities. At a symposium sponsored by the Soviet Foreign Ministry last July, a leading Soviet scholar underlined the importance of economic interests in diplomacy, calling for his country's participation in international economic organizations. He proposed to tear down the wall that has for years separated the Soviet economy from the outside world. Delegates agreed that practices in international economics must be made use of to strengthen the Soviet Union's position in the world.

In mid-April last year, in the wake of the signing of the INF treaty, a huge U.S. trade delegation, composed of some 500-odd industrialists from more than 300 companies, headed by Secretary of Commerce William Verity, went to Moscow to attend a meeting organized by Soviet-U.S. Economic and Trade Committee. Led by U.S. Occidental Petroleum Co., several Western companies signed a contract with the Soviet Union to construct a chemical joint venture, which drew an investment of US\$6 billion. A U.S. official commented optimistically that within three to seven years Soviet-U.S. trade volume could expand significantly, if trade terms should be fundamentally improved.

While Reagan and Gorbachev were exchanging ratification of the INF treaty, their foreign ministers signed a series of cooperative agreements in economy, trade, science and technology. The two countries plan to raise their trade volume within a few years to US\$10-15 billion from US\$2 billion now.

At the same time, inspired by the new Soviet diplomacy, trade relations between the Council for Mutual Economic Assistance (CMEA) and the European Community (EC) were also repaired. In May the two blocs reached an agreement to mutually recognize each other and establish formal ties, dousing the embers of a three-decade long hostility and opening the windows to a new era in European economic cooperation.

Gorbachev successively swept through France and Britain in the past few years, and in return, the leaders of the two countries paid their respects to Moscow. Each of the delegations included economic officials and trade tycoons. In October five members of the EC—West Germany, Italy, France, Britain and the Netherlands—agreed to provide the Soviets with loans totalling about US\$6.42 billion. Many Western businessmen showed an appetite for entering into joint ventures with the Soviet Union.

An important part of Gorbachev's Krasnoyarsk speech was a hustle for trade ties with the Asian-Pacific region. The Soviet Union will adopt preferential measures, including expanding local and enterprise autonomy, opening up coastal areas and setting up joint ventures to lure foreign investment. Gorbachev even proposed to establish a cooperative relationship among China, the Soviet Union and Japan on the basis of mutual benefit. Some Japanese companies have already begun to participate in petrochemical development projects and other projects in Soviet Siberia. According to Japanese government officials, last year's Soviet-Japanese trade volume was estimated to have reached an all-time peak of US\$6 billion.

Soviet relations with the CMEA have also undergone adjustments in light of the new situation. At the 44th session of the CMEA, which opened in Prague on July 5, Soviet Chairman of the Council of Ministers Nikolay Ryzhkov said that it is time to carry out deep, essential reforms in the areas of cooperation with socialist countries.

Trade with other CMEA and other socialist countries traditionally accounted for about 70 percent of the Soviet Union's total foreign trade, of which more than 60 percent was conducted between the Soviet Union and other CMEA countries. But there are some real warts in this otherwise unblemished trade relationship. First, the Soviet Union is mainly a supplier of raw material and energy of raw material and energy and an importer of mechanical products and parts; and second, due to a lack of hard currency, trade mainly takes the form of barter. The Soviet authorities have made it clear that it does not want to be a supplier of cheap raw materials for other CMEA countries and has plugged any further increase in exports of fuel and other materials from 1986. Moscow attempts to create a new economic and trade relationship on the basis of equality and mutual benefit through reforming the CMEA system.

As one Soviet official put it, in the past year Moscow succeeded in not allowing its relations with any country to deteriorate. This is quite an achievement. The Soviets

began to savour the fruits of an improved Soviet image in the world. As the earthquake in Armenia showed, Gorbachev changed his country's image to such an extent that aid from Western countries was rushed to the disaster-stricken area. This outpouring was so great that it surpassed the Soviets' distribution capabilities. It seemed that Western countries were competing to show their sympathy and support. Such charity is a rarity in the history of the Soviet Union. People around the world hope that the trend of detente and cooperation will continue to prevail and that the world will safely and prosperously enter the 21st century.

Southeast Asia & Pacific

Sihanouk Opposed to Peacekeeping Force in Cambodia
OW0702144889 Tokyo KYODO in English
1426 GMT 7 Feb 89

[Text] Beijing, Feb. 7 KYODO—Kampuchean resistance leader Prince Norodom Sihanouk warned Tuesday that an effective solution to the 10-year Kampuchean conflict cannot be devised by foreign forces.

Sihanouk, who is now in Beijing, made public to foreign reporters his written reply to questions sent from Singapore's STRAITS TIMES at the end of January.

He expressed in the opening of the message his intention to continue fighting until Kampuchea achieves complete independence, even if military assistance from friendly nations is cut off.

The anti-Vietnam Kampuchean resistance forces, Democratic Kampuchea, will continue to fight with the arms they have stocked or acquired by attacking enemy bases, Sihanouk said.

Diplomatic analysts said Sihanouk was countering China's vow to decrease military aid to the tripartite resistance coalition as Vietnamese forces are removed.

China also said it would end its support to resistance groups following the complete removal of Vietnamese forces from Kampuchea.

Sihanouk also warned that if the resistance coalition is forced to continue its struggle, both Kampuchea and any international surveillance group and peacekeeping forces sent to the strife-torn country would be endangered.

Sihanouk's harsh comment on outside involvement in the settlement of the Kampuchean conflict followed a China-Vietnam vice foreign ministerial meeting in mid-January and a China-Soviet Foreign ministerial meeting which ended Saturday in which the two parties discussed a framework for a political solution after completion of withdrawal of Vietnamese troops in September.

Sihanouk suggested in a five-point plan for a peace settlement that the Vietnam-backed Heng Samrin government should be dissolved.

He is frustrated by the lack of support for his plan and fears that the Heng Samrin government may continue to hold real power if a four-faction coalition government including Heng Samrin is formed as suggested by foreign countries, the analysts said.

Spring Festival Party Hosted for Sihanouk
OW0702180889 Beijing XINHUA in English
1526 GMT 7 Feb 89

[Text] Beijing, February 7 (XINHUA)—The Chinese Foreign Ministry hosted here this evening a Spring Festival party in honor of Prince Norodom Sihanouk and his wife.

Present on the occasion were Khieu Samphan, vice-president in charge of foreign affairs of Democratic Kampuchea, and Son Soubert, representative of Democratic Kampuchean Prime Minister Son Sann. They arrived here earlier today.

Chinese Minister of Culture Wang Meng and Vice-Minister of Foreign Affairs Liu Shuqing attended.

Near East & South Asia

Afghan Ministry Spokesman Cited on Soviet Pullout
OW0702192989 Beijing XINHUA in English
0752 GMT 7 Feb 89

[Text] Kabul, February 6 (XINHUA)—All Soviet combat troops in the capital city of Kabul, including the last 1,000 defending Kabul airport, completed their withdrawal today.

In an exclusive interview with XINHUA, Kabul Foreign Ministry spokesman Amani said only a limited number of military officers and staff remain in the capital and will leave by air before February 15, the deadline set by the Geneva Accords.

He also said that nearly all Soviet troops have withdrawn from other provinces except Balkh, along the northern border with the Soviet Union.

A farewell ceremony for some departing Soviet troops was held today in the border town of Hilaton in Balkh.

Another farewell ceremony was held yesterday in the border town of Turgundi in western Herat Province for the last group of Soviet soldiers leaving that area.

Foreign Ministry spokesman Amani said that Soviet military camps and posts, including the important Sindandu airbase in Herat, have been turned over to the government forces of Afghanistan.

He said the People's Democratic Party of Afghanistan (PDPA) sticks to the principle that in any future coalition government after the Soviet pull-out it should be on equal footing with all other parties, including the seven-party opposition alliance based in Peshawar, Pakistan, and the 8-party alliance based in Iran.

Amani denied reports that Kabul's governing party would change its name or form another new party to be called the Liberal Democratic Party. He stressed that a nationwide cease-fire must come first to bring about an atmosphere for peace talks among Afghan political forces.

He also denied reports that martial law was in force in Kabul starting yesterday. He said reporters mistook a military march by thousands of PDPA members in the capital that day for martial law enforcement.

In a mass rally on the same day, Najibullah, head of the Kabul government, dressed in a military uniform, warned against attacks by armed opposition in the city. He called for strict measures to deal with the attacks.

Kabul still remains tense with police and soldiers stationed on high alert at intersections. Military transport planes are continuously roaring over Kabul dropping strings of flares before landing as a way to ward off possible missile attacks by mujahadin guerrillas.

Helicopter gunships were busy flying to and from the valleys around Kabul searching possible targets of guerrillas who have rocketed the city before.

The streets have considerably less traffic than usual for lack of petrol, the supply of which has even become difficult for the limited number of diplomats who remain here.

The Kabul residents now are less worried about food supplies as they can get their rations in long queues after several days of emergency food airlifts by the Soviets.

East Europe

Shanghai, Polish Officials Exchange Greetings
OW0802092989 Shanghai City Service in Mandarin
2300 GMT 4 Feb 89

[Text] As the spring of 1989 is approaching, Mayor Zhu Rongji of Shanghai Municipality and Governor Jerzy Jedykiewicz of Gdansk Province in Poland exchanged New Year's greetings through this station and the Gdansk Broadcasting Station. They both hope that the friendship and cooperation between Shanghai and Gdansk Province will develop further and grow stronger.

Through the Gdansk station, Governor Jerzy Jedykiewicz sent his New Year's greetings directly to Shanghai. He said: [Begin recording in Polish, fading into Mandarin translation] As the 1989 Chinese New Year is about to begin, please accept the most sincere wishes of the people of Gdansk Province for the people of Shanghai. I believe the friendship and cooperation that have already been built between Shanghai and Gdansk Province—our two sister cities—will develop further and grow stronger. I will be expecting the comrade mayor to visit Gdansk Province during 1989. Speaking on behalf of the Gdansk provincial government and myself, I wish the comrade mayor still greater success in solving Shanghai's problems. [end recording]

In his greetings to Governor Jedykiewicz, Mayor Zhu Rongji said: I am sincerely grateful to Governor Jerzy Jedykiewicz for the expressions of friendship and good wishes extended by him to the people of Shanghai as well as myself through the Gdansk Broadcasting Station. The people of Shanghai very much cherish the friendly ties between Shanghai Municipality and Gdansk Province. I am confident that the friendship and cooperation between Shanghai Municipality and Gdansk Province will develop further and grow stronger in the New Year.

In conclusion, I wish Gdansk Province prosperity and its people happiness.

Rectification, Correction of Enterprises Begins
*OW0802015189 Beijing XINHUA Domestic Service
in Chinese 1225 GMT 3 Feb 89*

["Local Broadcast News Service"]

[Text] Beijing, 3 Feb (XINHUA)—According to information provided by the State Administration for Industry and Commerce, after some 2 months of effort, the self-examination stage of the work of checking and consolidating companies has been by and large completed in most localities. Now, the work has entered a stage of spot-checking key areas and conducting overall rectification and correction.

Major results achieved in the previous stage of checking and consolidating companies are as follows: The problem of party and government organs at various levels engaging in commercial activities and opening their own business enterprises has been checked to some extent. Most of the cases of incumbent personnel of party and government organs and their retired cadres doing part- or full-time jobs in various companies have been straightened out. A number of cases of buying and selling for profiteering have been investigated and dealt with. Some companies which should not exist, because they are not qualified or because they are not necessary at all, have been closed.

As the State Administration for Industry and Commerce has pointed out, a main current problem is the uneven development of the work of checking up and consolidation in various localities. Some localities tend to take a perfunctory attitude. Some localities and units are not paying sufficient attention to this work. They are slow in action and even refuse to be spot-checked. In many companies, self-examination has become a formality. In some localities, insufficient effort is made to investigate and deal with illegal economic cases, and the rate of cracking down on such cases is not high.

Crackdown Enters Final Stage

*HK0802042489 Hong Kong HONGKONG STANDARD
in English 8 Feb 89 p 4*

[By Fan Cheuk-wan]

[Text] The nationwide crackdown on state enterprises is to move into its final stage next week with the beginning of a four-month period of re-registration.

In this phase, from February 15 until the end of June, a shortlist will be put together of approved state enterprises, which will then be required to re-register with the state.

Last October, the State Council instructed provincial and municipal governments to set regulations to clean up or withdraw illegal firms, and consolidate inefficient ones.

To coincide with the latest phase of the crackdown, the State Administration for Industry and Commerce last week ordered its offices at the provincial and municipal levels to issue new licences to approved enterprises.

"All the approved enterprises must be re-registered by the local bureaus of industry and commerce within the period," it ordered.

A shortlist will also be prepared for firms located in Hong Kong. Mr Ji Pengfei, director of the Hong Kong and Macao Affairs Office, said in December the Hong Kong list would be published after the end of the previous phase of the programme, during which officials carried out widespread investigations of state firms.

The shortlist is now expected to be published after the completion of the re-registration in June.

According to the official CHINA NEWS SERVICE, the State Administration for Industry and Commerce has stressed again that all unqualified enterprises must be withdrawn.

"The central departments which take charge of the withdrawn enterprises will be held responsible for clearing all the debts left behind after the close-down move," it said.

"For those withdrawn enterprises which are not under any central departments, their debts will be dealt with by the liquidators."

A set of nine instructions has been issued to guide officials in which enterprises are to be approved.

These include the requirement that approved companies have autonomous management rights and be responsible for the results of their operation.

"Except several enterprises which are appointed by the State Council to take up certain administrative responsibilities, all the other companies should not share government administrative functions," the regulations say.

They forbid state cadres from taking posts in state enterprises, and require that enterprises "must be detached from any affiliation to financial and material resources of the party and government.

"They should submit financial reports to the central finance departments for assessment."

For the first time since the beginning of the crackdown last October, the regulations say names of firms must be set according to state regulations.

"All companies which are currently using 'China', 'All-China' or 'International' in their names must be re-assessed by the State Administration for Industry and Commerce for approval."

Companies are also told they must employ adequate financial and accounting professionals and technical personnel and must submit valid qualification documents.

"They must also register their taxation documents and submit their latest tax payment receipts to our administration."

Officials have been told not to issue new licences to companies involved in economic crime cases which have not yet been settled in court.

CPPCC Regulations on Political Consultation
OW0702211089 Nanjing XINHUA RIBAO
in Chinese 28 Jan 89 p 4

[Text] Provisional Regulations of the CPPCC National Committee Concerning Political Consultation and Democratic Supervision

(Adopted by the Fourth Session of the Standing Committee of the Seventh CPPCC National Committee on 27 January 1989)

The Chinese People's Political Consultative Conference is the most extensive patriotic united front organization. The system of multiparty cooperation and political consultation under the Communist Party's leadership, formed and developed in the long process of revolution and construction, is a distinguishing trait and strong point of our nation's political system. In accordance with the relevant provisions of the "Constitution of the People's Republic of China" and the "Articles of Association of the Chinese People's Political Consultative Conference" and the Chinese Communist Party's 12th Congress requirements regarding the CPPCC, these regulations are formulated to strengthen the building of socialist democracy; gradually regularize and systematize political consultation and democratic supervision; improve the system of multiparty cooperation and political consultation under the Communist Party's leadership; and further bring into play in the national political life the role of democratic parties, nonpartisan patriotic personages, mass organizations, minority people, and patriotic people from various circles in the country.

Article 1. The major function of the CPPCC shall be to conduct political consultation on matters concerning the state's principal policies, important local affairs, the life of the masses, and relations within the patriotic united front, and to play its role of carrying out democratic supervision through suggestions and criticism.

Article 2. The purpose of political consultation and democratic supervision shall be: To develop socialist democracy; reflect the views and needs of all walks of life in society; provide the various democratic parties, non-party personages, mass organizations, minority people, and all patriotic people taking part in the CPPCC with unimpeded channels for participating in and commenting on political affairs and pooling their wisdom to help

the government in making major decisions more scientifically and democratically; assist and encourage state organs in improving their work, raising efficiency, overcoming bureaucracy, and combating corruption; supervise the implementation of the nation's Constitution, laws, and general and specific policies; push forward the building of a materially and culturally advanced socialist society and a socialist legal system so as to promote the development of the productive forces of society; coordinate relations among all circles in society to promote communication and understanding so as to enhance cooperation among them under the Communist Party's leadership; and carry out the policy of "one country, two systems" to promote the early realization of unity in our country.

Article 3. The contents of political consultation shall primarily concern: important policies and arrangements made in the course of building a materially and culturally advanced socialist society and socialist democracy and a socialist legal system, and in the course of reform and opening up; government work reports; state budgets, and economic and social development programs; important matters in the national political life; drafts of important state laws; candidates for state leadership nominated by the CPC Central Committee; changes in administrative divisions at the state-level; important foreign policies; important policies concerning unification of the motherland; important matters concerning the life of the masses; common work of the various democratic parties; and important work within the CPPCC and the patriotic united front.

Article 4. The major forms of political consultation shall include: The CPPCC National Committee's plenary sessions, standing committee meetings, and presidium meetings; forums on special subjects sponsored by the various special committees under the CPPCC National Committee; consultative forums attended by representatives of various democratic parties, nonparty patriotic personages, public organizations, minority people, and patriotic people of all circles; and NPC meetings or meetings of the NPC Standing Committee which the CPPCC National Committee is invited to attend as an observer.

Article 5. The major contents of democratic supervision shall include: how the Constitution and state laws and decrees are implemented; how important guidelines and policies laid down by the CPC Central Committee and state leading organs are carried out; how national economic and social development plans and state budgets are implemented; how state organs and their staffs perform their duties, observe laws and discipline, and remain honest and clean; and how the various units and individuals who participate in the CPPCC observe the CPPCC Constitution and implement CPPCC resolutions.

Article 6. The major forms of democratic supervision shall be: The motions made by plenary sessions, standing committee meetings, or chairmanship conferences to the CPC Central Committee, the NPC Standing Committee,

and the State Council; motions or relevant reports put forward by various special committees; inspections, motions, and reports made by CPPCC members and their criticism and proposals in various forms; and investigation and inspection activities with the participation of relevant departments under the CPC Central Committee and the State Council.

Article 7. The chairmanship conference of the National CPPCC Committee shall make arrangements to carry out various political consultation activities on the basis of motions made by the CPC Central Committee, the NPC Standing Committee, or the State Council, the various democratic parties, mass organizations, or relevant party and government organs at the central level; and decide on the specific form and scope in carrying out such consultation.

Suggestions shall be made to the CPC Central Committee, the NPC Standing Committee, the State Council, and the relevant party and government departments at the central level to consult with the CPPCC on issues for which the chairmanship conference of the National CPPCC Committee recommends consultation.

Generally, political consultations shall be held before any policy decision is made.

Article 8. In carrying out political consultation, the National CPPCC Committee may, according to the situation, invite the CPC Central Committee, the NPC Standing Committee, the State Council, and the relevant party and government departments at the central level to attend meetings, and also ask the responsible person or persons concerned to clarify the issue or issues requiring consultation.

Article 9. After the subject and date of a consultation meeting are determined, the relevant organs of the National CPPCC Committee shall send a notice concerning the meeting and the relevant documents to participants of the meeting at least 1 week ahead so that they can make preparations for the meeting and reflect the views of the various departments concerned.

Article 10. The democratic rights of CPPCC members shall be well protected. It should be possible to fully air views of all types at the various CPPCC meetings.

Article 11. The plenary sessions, standing committee meetings, and consultation meetings of all types of the National CPPCC Committee shall be covered by the news media.

Article 12. Under the leadership of the CPPCC Standing Committee, the various special committees of the National CPPCC Committee shall organize their members to participate in various routine activities, hold forums, and conduct investigations on special topics, work out motions, and ensure that CPPCC members

report what they have observed. They shall also maintain close ties with the relevant party and government departments, and support and coordinate with each other.

Article 13. Important suggestions of the various special committees and important motions of members may be submitted to a standing committee meeting or a chairmanship conference for discussion after they have been endorsed by the various special committees. They may be submitted to the various relevant departments as motions of the standing committee or the chairmanship conference after they have been endorsed by the standing committee and the chairmanship conference of the National CPPCC Committee.

Article 14. All suggestions, views or criticisms put forward under the name of the standing committee, the chairmanship conference, or the various special committees should be delivered to the relevant authorities or departments by the general office of the National CPPCC Committee in the form of official documents. The relevant authorities and departments should vigorously and responsibly study and handle suggestions, views and criticisms; and reply as soon as possible in the form of an official document.

The relevant departments should earnestly study and handle the motions and reports from CPPCC members, and reply to them on time.

Article 15. To carry out its major functions of political consultation and democratic supervision, the National CPPCC Committee shall adopt various measures to help CPPCC members understand the situation concerned and create favorable conditions for them to participate in government and political affairs. Members of the National CPPCC Committee must study hard; maintain close touch with reality; carry out investigation and study; strengthen their ties with the masses of those parties, organizations, and relevant departments they represent; enthusiastically reflect the views and demands of the masses; and play their proper role in participating in government and political affairs.

Culture Vice Minister Stresses Quality of Art
OW0702213689 Beijing XINHUA in English
1313 GMT 7 Feb 89

[Text] Beijing, February 7 (XINHUA)—The purpose of reform in literature and art is to raise the quality of artistic creations to better serve the people, said Ying Ruocheng, vice-minister of culture, in an interview with XINHUA.

He admitted that the average level of education among Chinese is not high compared with the level in some other countries. However, he said, there is eagerness to see high-quality art.

He cited two examples to illustrate his point. The fine play "Tea House" has been popular for three decades, and another such play, "No. 1 Building Under Heaven", has been performed 100 times before a total audience of 140,000.

He said the state will reward art troupes that produce high quality pieces and will organize overseas tours for them.

He noted that in the past the country had stressed efforts to meet the general needs of the rank and file and neglected the growing need for better works.

Under the closed conditions of those years, he added, Chinese artists had failed to recognize first-class artistic creations. The Communist Party's open policy towards literature and art in recent years has helped to improve the quality of artistic works, he said.

CHENG MING on Revival of 'Leftism'

HK0702091089 Hong Kong CHENG MING in Chinese No 136, 1 Feb 89 pp 9-10

[Article by Wu Hao (0702 8504) from Beijing: "The Specter of Mao Zedong is Calling"]

[Text] Last year, the mainland was crisis-ridden. The reason was simply the proliferation of the "reversion trend [hui gui re 0932 2981 3583]." The specter of Mao Zedong was summoning his "disciples:" Come back and revert to the domination of the country by the party! "Proletarian dictatorship" is a magic weapon we cannot afford to lose. It is now time we launched a counterattack on the advocates of democracy and their liberalization.

Signs of political repercussions have recently become increasingly evident. This is neither a secret nor an attempt to sound alarming. Over the past month, many cadres working in central organs in Beijing have been puzzled by some strange phenomena. Alert and well-informed outstanding intellectuals have coincidentally issued this warning: The reagravation of political crises is apparently inevitable.

Creating an Exhilarating Atmosphere at the Mao Zedong Memorial Hall

Let us take a look at the following facts and analysis:

On 26 December of last year, there was an exhilarating atmosphere at the Mao Zedong Memorial Hall, which was rare in the past few years. This certainly did not happen by chance. Later, it was revealed that it was engineered by some elders on the CPC Central Committee and arranged with the approval of the country's Number 1 leader [tou hao ling dao ren 7333 5714 7325 1418 0086]. Mao Zedong's trusted follower Wang Dongxing was specially invited to Beijing from his farmstead in Jiangxi Province's Chengxin County. Hua Guofeng and his wife also gladly accepted the invitation

to be present on the occasion. In addition, such mystery-shrouded people as Zhang Yufeng [1728 3768 7685], Wang Hairong [3769 3189 1369], and Tang Wensheng [0781 5113 3932] also openly and unabashedly appeared at the Mao Zedong Memorial Hall. Why? People who have criticized the maker of gods cannot help worshipping gods themselves [pi li zao shen de ren hai shi tao bai shen de 2106 0055 6644 4377 4104 0086 6703 2508 6008 2157 4377 4104].

Deng Xiaoping Thinks Highly of Zhang Yufeng

On 20 January this year, news vendors selling a tabloid, DAQIAN SHIJIE [1129 0578 0013 3954 THE KALEIDOSCOPIC WORLD], in Beijing's downtown area and near its railway station shouted: "Jiang Qing is on a hunger strike in jail and Wang Hongwen is going to kill somebody again!" The author of this article did not act fast enough to get hold of a copy. However, he did see that there were people who turned pale. An elderly man sighed: "The world is going to change again!" Much earlier, rumor had it that Jiang Qing had repeatedly asked to be allowed to get out on bail, so that she could have her cancer treated. Her daughter visits her weekly and relays her messages.

Given the present political climate, it is not implausible to say that the gang of four or gang of five are ready to make trouble again. Is Wang Li, the person who played a leading role in burning down the office of the British charge d'affaires and the major culprit behind the raid on the Ministry of Foreign Affairs, not writing articles for Shanghai party papers now? This person openly said that Deng Xiaoping had asked him to evaluate the reforms carried out over the past 10 years and to enlighten him. Zhang Yufeng, now a person frequently in the headlines, has almost become one of Beijing's "new-wave" writers. Reporters from official newspapers have frequently interviewed him and he has published lengthy articles in GUANGMING RIBAO about his experiences at Mao's palace. All this is officially authorized and arranged. At first, the task of writing the article "An Interview With Zhang Yufeng" was assigned to an "unofficial" news agency. Later, realizing that this "unofficial" news agency cannot pull the wool over the eyes of people (abroad), they had a Hong Kong newspaper publish it, in order to avoid arousing suspicion. It seems that Zhang Yufeng still has some usefulness. According to some, Deng Xiaoping thinks highly of two of Mao Zedong's followers. One of them is Wang Dongxing, and the other is Zhang Yufeng. These two persons were once entrusted with one of Mao Zedong's safes. This safe contained Mao Zedong's personal records of his conversations with senior officials. Among these records were ones describing what Deng Xiaoping had said and done. This means that they know what sort of person Deng Xiaoping is. Let us not dwell on the secrets here.

Hu Qiaomu Decides To Visit the United States in April

In the opinion of some, politics in contemporary China (Communist China) is politics in the hands of mediocre persons. The people in power are either people like Li

Zicheng or Hong Xiuquan, who have the idea that "As your elder I will preside over the country because I have fought to win state power," or locally trained or foreign-trained pedants who played second banana in the revolution. These pedants keep preaching doctrine, but know nothing about running the country. They have studied a few writings on Marxism-Leninism and have written a few articles by simply repeating what the books say. They are good at currying favor. However, they are regarded as authorities on theoretical matters. Hu Qiaomu and Deng Ligu are such people. Not even Hu Yaobang could ignore them when he was in power. As the saying goes, every new sovereign brings his own courtiers. Deng Xiaoping has found that they can serve some useful purpose. Now, these people are filled with high spirits again. According to reliable sources, Hu Qiaomu is going to visit the United States to survey the defects of capitalism. In other words, he is going there to do some theoretical united front work on behalf of Marxism-Leninism. Two entrepreneurs of Chinese descent in the United States have extended to him, through official channels, an invitation to lecture. The trip is scheduled for April. Because this will be his first trip to the West, Hu Qiaomu has naturally asked U.S. affairs experts in the Academy of Social Sciences of China, such as Li Shenzhi [2621 1957 0037], to prepare materials. It is said that Li Shenzhi, fearing that Hu Qiaomu may make a fool of himself in the United States, advised him not to go. However, Hu Qiaomu is adamant. However, the news that Deng Ligu will return to the Academy of Social Sciences as its president has yet to be confirmed. Actually, Deng Ligu has not exactly retired. He and his clique are still in actual command of the Central Party School, the Central Propaganda Departments, and the Academy of Social Sciences—the CPC's three main fortresses in ideological affairs. People like Wang Renzhi and Hu Sheng still have to obey the orders issued by this Hu and this Deng. One only needs to recall the disgusting shows put up at the recently held Fifth Congress of the Federation of Literary and Art Circles and theoretical symposium on the 10 years of reform and one will understand.

Fang Lizhi Hopes for Dialogues With Deng

The current political reversion trend features a banner of "stability and unity" pointed at the eminent reformist intellectuals struggling for the causes of science and democracy.

Not long ago, a close friend of the author saw Professors Fang Lizhi and Li Shuxian, who are caught in a predicament, and found out that several months ago, through the unit employing him (an observatory) Professor Fang forwarded his application for permission to attend a conference abroad and that he was held up because this application was intercepted and withheld by the relevant central authorities. The conference, the International Symposium on Astrophysics, was scheduled to be held in Dallas, Texas, on 1 December (1988). Professor Fang said with dismay: None of the central leaders has asked why there are such entanglements. Neither have they openly restricted your freedom. This is probably what is so fascinating about

Chinese politics. This friend asked Professor Fang: Did Hu Qili not reiterate academic freedom at the congress of the Federation of the Literary and Art Circles? Fang indignantly replied: Now, we do not even have human rights, not to mention freedom or democracy. He added that he wanted to talk to Deng Xiaoping.

Wang Renzhi Tries To Suppress Su Shaozhi by Every Conceivable Means

The Su Shaozhi case, which happened at more or less the same time, has even more tellingly revealed the real colors of the rampant anti-democracy tendency within the CPC. Prior to the CPC theoretical symposium on 10 years of reform, when he was giving lectures at St Anthony College, Oxford, Su Shaozhi wrote an article entitled "Open a New Chapter on the History of the Development of Marxism" and sent it to the journal editor of the Academy of Social Sciences of China. Ding Weizhi, vice president of the academy, acting on the order of central authorities, had told Su Shaozhi to contribute an article to the forthcoming theoretical symposium on the 10 years of reform. His purpose in doing this was, obviously, to make this predominantly leftist symposium appear less leftist. One of the people responsible for making the preparations for this symposium, Deputy Head of the Central Propaganda Department Gong Yuzhi (also a member of Zhao Ziyang's think tank), made Su's article one of the 131 prize-winners (1,000 yuan apiece), only to meet with objections raised by one of Deng Ligu's men, Head of the Central Propaganda Department Wang Renzhi, who, without the prior consent of the 3-person leadership group on the preparatory committee, withdrew Su's article from the collection which had already been sent to the presses. Su Shaozhi did not know this until he was back in the country again. Although he did not mind, he did not want to attend the symposium. Afterwards, when Ding Weizhi repeatedly pleaded with him and reassured him that he could speak freely at the symposium, he changed his mind and went alone. Other people specially invited to the symposium, such as Yu Guangyuan, Wang Ruoshui, Yu Haocheng, and Liu Zaifu, refused to go on the grounds that they had been disciplined before. Yan Jiaqi was not among the people specially invited because he refused to contribute an article. Therefore, one must say that Su Shaozhi went alone. However, he only attended the opening ceremony and spoke at a panel discussion. The theoretical foundation of the CPC's reforms and opening-up policy should be the principle that "practice is the sole criterion for judging truth," which was established at a theoretical conference 10 years ago. Those leading theorists who attended this conference included Su Shaozhi, Yu Guangyuan, Wang Ruoshui, Yu Haocheng, Li Honglin, Wang Yuanhua, and Guo Luoji. Thanks to their support in theoretical matters, Deng Xiaoping has been able to assume power and stand fast. However, there are people who want to kill the donkey as soon as it finishes turning the millstone for them and who resort to the fossilized so-called "adherence to the four cardinal principles" as soon as

their vested interests are threatened. The so-called "emancipation of the mind" and "principle of seeking truth from facts" are nothing but false, extravagant, and empty talk. Many eminent theorists and young people fired with enthusiasm who fought hard for them at that time have been disciplined by the CPC. Wei Jingsheng and some others are still in jail. Why? Why can they not let people say what is true?

Su Shaozhi Was "Advised" To Withdraw From the Party

After reading the transcript of Su Shaozhi's speech in SHIJIE JINGJI DAOBAO on 26 December, Wang Renzhi and his like immediately ordered the withdrawal of all copies of that issue of the newspaper and ordered news units to lock up the latest issue of the SHIJIE JINGJI DAOBAO in secure rooms. Acting as if confronted with a formidable enemy, they held secret meetings and subsequently had two accusations in store for Su Shaozhi: First, that he has disrupted stability and unity by openly rehabilitating Wang Ruoshui, Yu Guangyuan, and Li Shuping and by launching a counterattack on the elimination of pollution and on the campaign against liberalization; and second, that he has seriously violated party discipline by disclosing to the public remarks made in front of an internal audience. According to people in the Academy of Social Sciences, the academy's party committee ordered Vice President Ding Weizhi to go to Su Shaozhi's home to advise him to withdraw from the party. However, Su simply ignored him. It is said that this matter will remain unsettled until President Hu Sheng of the academy returns from his business trip.

SHIJIE JINGJI DAOBAO Faces Major Rectification

Surprisingly, the shock waves against Shanghai's SHIJIE JINGJI DAOBAO, which is under the leadership of Qin Benli, have been checked. It happened that when people were about to handle this insubordinate newspaper, an invitation came from the other shore of the great ocean. Chief Editor Qin Benli was invited to attend a ceremony in the United States. Zhongnanhai was taken by surprise and was forced to readjust its plans. Some people said that it had planned to first rectify two major party-run newspapers in Shanghai, JIEFANG RIBAO and WEN HUI BAO, and then replace the staff of SHIJIE JINGJI DAOBAO. Qin Benli could have been relieved and then said to have retired as Wang Ruoshui was. Beijing's ZHONGGUO QINGNIAN BAO is also among the newspapers to be rectified. The minister of radio, film, and television has long openly remarked: Another task, that of improving the cultural environment and rectifying the cultural order, will in future be added to Zhao Ziyang's improving the economic environment and rectifying the economic order. The speculators have fathers. They can in no way be liquidated. However, cultural activists, who have neither parents nor brothers or sisters (the masses) to lean on, are doomed! Alas!

Yang Shangkun Inspects Market in Changzhou City *OW0802085489 Nanjing Jiangsu Provincial Service* *in Mandarin 1015 GMT 6 Feb 89*

[Text] President Yang Shangkun inspected the market supply in Jiangsu for the Spring Festival on the eve of the Chinese Lunar New Year.

(Yingchun) Market in Changzhou City is a comparatively large commercial market with stands and booths run by self-employed businessmen. The commodities on sale there are mainly clothes, shoes, hats, and sundry goods. With the Spring Festival approaching, stands and booths crowd the market displaying all kinds of merchandise. The market bustles with sales and is particularly brisk on festive occasions.

Accompanied by General Xiang Shouzhi, commander of the Nanjing Military Region, Jiangsu Governor Gu Xiulian, and other comrades, President Yang Shangkun arrived for more than an hour's inspection on the morning of 2 February. President Yang inspected one stand after another to understand in detail the situation of market supply for the Spring Festival. In particular, he showed great interest in commodity prices. From time to time, he cordially conversed with self-employed stand owners and customers to get a better understanding of their business operations and daily life. During the afternoon, even though he was tired, President Yang Shangkun walked to the small (Heyuan) vegetable market of Changzhou City and its nearby agricultural and trade market to understand the situation of the supply of nonstaple foodstuffs and vegetables during the Spring Festival. In order to ensure adequate supply to the market during this year's Spring Festival, the provincial departments concerned had already begun organizing supplies of commodities and preparing a large quantity of commodities popular with the masses a few months ago, so that there would be a variety of good quality vegetables on the nonstaple foodstuffs market at stable and low prices. In the agricultural and trade market, President Yang Shangkun solicited people's opinions about market supply. People's reactions are relatively good. They expressed the hope that the state will further stabilize the commodity prices in order to enable the masses to lead a more comfortable life. President Yang Shangkun held cordial conversations with the people during his inspection of the market. Laughter punctuated their conversations and added a jubilant atmosphere to the market on this festive occasion.

Visits Jiangsu Peasants, Workers *OW0702232789 Beijing XINHUA in English* *0917 GMT 7 Feb 89*

[Text] Nanjing, February 7 (XINHUA)—Yang Shangkun, president of the People's Republic, this morning paid New Year calls on peasant families on the outskirts of Yangzhou City in East China's Jiangsu Province.

Yang, accompanied by provincial leaders, first dropped into the home of peasant Li Zhangpong and offered New Year greetings to his family. The president seemed pleased to see the festively decorated house and the great quantities of food prepared for the Spring Festival holidays.

He was told that the family concentrated on raising pigs. Last year it raised 170 pigs and sold 112 for a net income of 13,000 yuan (3,500 U.S. dollars), a handsome amount for any family in China. The family is preparing to build a new house.

The president encouraged the family to raise more pigs and the younger members of it to study hard at school.

Later he drove to the nearby Jiangdu irrigation project and extended festival greetings to the workers channeling water to the fields.

Yang arrived in Yangzhou last Sunday. He attended a New Year gathering of local leaders in Yangzhou City Monday.

Qiao Shi Gives Instruction on Party-Building
*SK0802071089 Shenyang Liaoning Provincial Service
in Mandarin 2300 GMT 7 Feb 89*

[Text] After being briefed on the work done by the province and the city of Dalian, Comrade Qiao Shi, member of the Standing Committee of the Political Bureau under the CPC Central Committee, member of the Secretariat under the CPC Central Committee, and secretary of the Central Commission for Discipline Inspection, pointed out that efforts should be made to attach importance to party-building, to bring into play the supervisory and guaranty role of party committees, to enhance ideological and political work, and to successfully bring into play the fighting role of party organizations at all levels.

On the afternoon of 5 February, Comrade Qiao Shi, who is on an inspection tour of Dalian City, heard reports by leading personnel of the province and Dalian City, including Quan Shuren, Sun Qi, Wang Julu, Bi Xizhen, and Wei Fuhai. In a speech he stated that the core of the four cardinal principles is the party's leadership. We can do nothing in China without the party's leadership, whether we are in favorable circumstances or difficult ones. In particular, by no means should we weaken the party's leadership in enforcing the principle of opening to the outside world. In enhancing the party's leadership, we should pay attention to party-building. Of course, we should not adhere to the former methods in the current work of party-building and should meet the need of the new situation and integrate the traditional methods with the new situation.

Efforts should be made to bring into full play the supervisory and guaranty role of party committees, to conduct supervision over every party member, and to successfully bring into play the fighting role of party

organizations at all levels. A party-member plant director without party supervision is unable to be successful in his post or to run his enterprise well. Party committees of enterprises should not only seek the efficiency of tapping enterprise potential. If we do a good job in this work and build enterprises into fighting forces, our achievements would become potentially great.

We should firmly grasp the appraisal work among party members and carry out the work in a planned manner. Party members who have become unqualified should be persuaded to quit the party. By no means should we conduct the appraisal work in a perfunctory or superficial manner.

In his speech, Qiao Shi stated: We must enhance ideological work and not relax our vigilance. It would be all right for us to reduce the number of personnel in charge of political work, but we should make arrangements well before the reduction. We should never underestimate the personnel in charge of political work nor make them feel abandoned. We should deal with the issue of job titles for political work personnel.

In his speech, Qiao Shi stressed that efforts should be made to grasp the work at the grass-roots level and stated: The basis of our work lies at the grass-roots level. Institutions of higher education, industrial and mining enterprises, and other units must do a good job in grasping the work at the grass-roots level and conducting party-building and the ideological and political work at the grass-roots level. We should organize units to popularize at the grass-roots level the experience gained in the work by advanced units and should dispatch cadres to grass-roots-level units which have been backward in this regard to help them improve their work.

In citing the work of dealing with cases in his speech, Qiao Shi stated: After enforcing the opening to the outside world and China's gate being opened to the outside world, there has certainly been the entering of capitalism and the party has also been obliged to enhance its capability of resisting the corrosive influence of capitalism. In particular, party members should be able to withstand the test of this influence. Only by so doing can we achieve development in our undertakings.

In concluding his speech, Qiao Shi stated: Only by unswervingly implementing the principle of improving the environment, rectifying order, comprehensively deepening the reform drive, and opening to the outside world and the principle of developing the strategy of the coastal economy can we be steadily victorious in our work.

On 6 February Comrade Qiao Shi, accompanied by leading personnel of the province and Dalian City, visited Dalian harbor, the transportation units, and the public security departments to extend festive greetings to workers, grassroots-level personnel, and police cadres and fighters who were working on the holiday.

Greets Dalian Workers

OW0702183389 Beijing XINHUA Domestic Service
in Chinese 1256 GMT 6 Feb 89

["Local Broadcast News Service"]

[Text] Dalian, 6 Feb (XINHUA)—Qiao Shi, member of the Standing Committee of the Political Bureau of the CPC Central Committee, extended greetings this morning to Dalian harbor's longshoremen who insisted on working during Spring Festival. Then he went to Qingniwa Bridge Police Substation, an advanced unit on the national public security front, to extend Spring Festival greetings to all public security cadres and policemen and have a group photo taken with them. Comrade Qiao Shi also went to the Qingniwa Bridge trolleybus initial station to extend Spring Festival greetings to personnel working there.

Li Tieying Greets Teachers on Spring Festival

OW0802022389 Beijing XINHUA Domestic Service
in Chinese 1241 GMT 5 Feb 89

["Local Broadcast News Service"]

[Text] Beijing, 5 Feb (XINHUA)—The State Education Commission held a Spring Festival tea party for teachers today. On behalf of the party Central Committee and the State Council, Li Tieying extended Spring Festival greetings to the large numbers of teachers and their families across the country.

Li Tieying said: The 13th CPC National Congress has decided to give top priority to education in the strategy for economic and social development. This is a historic policy decision made by our party after summarizing experience in socialist construction. He pointed out: The party Central Committee has decided that educational investment will be guaranteed during economic readjustment, and that, in spite of tightening financial and monetary measures, allocations for education will not be cut back, but increased.

Before the tea party, leading comrades Hu Qili, Li Tieying, Rui Xingwen, Hu Qiaomu, Yan Jici, Lei Jieqiong, Chen Xitong, Kang Keqing, and Zhou Peiyuan posed for pictures with 20 teachers who had attended a forum.

Zou Jiahua, Xi Zhongxun Greet Workers, Teachers
OW0802092589 Beijing Domestic Service in Mandarin
1030 GMT 6 Feb 89

[Text] Xi Zhongxun, vice chairman of the Standing Committee of the NPC, and State Councillor Zou Jiahua paid separate Spring Festival visits today to teachers and workers in Xian and Beijing.

This morning, Zou Jiahua arrived at Shoudu Steel Plant. On behalf of the State Council, he brought New Year greetings to workers who must work on the first day of the Lunar New Year and to all workers working on the

metallurgical front. (Zhou Guangwu), director of the plant committee of the Shoudu Steel Plant and resident party secretary of the plant, briefed Zou Jiahua. He said that economic results at the plant in January this year rose 13 percent compared with the same period last year. However, he said the varieties and production output of steel plates are relatively low. (Zhao Changbai), general manager of the Shoudu Steel Plant, briefed Zou Jiahua on the plan of his plant to readjust the product structure and the plan to increase the varieties of steel products. Zou Jiahua expressed his agreement with the proposed plan.

In Xian, Xi Zhongxun, vice chairman of the Standing Committee of the NPC, attended a Spring Festival tea party sponsored by the Shaanxi Provincial CPC Committee and the Shaanxi provincial people's government for the teaching staff of higher learning institutes in Xian. He exchanged seasonal greetings with nearly 100 professors from some 20 higher institutes of learning in the Xian area. He urged comrades working on the educational and scientific and technological fronts to work hard and make bigger contributions in the new year.

Foreign Scientists To Assist Research Projects

OW0702211589 Beijing XINHUA in English
0920 GMT 7 Feb 89

[Text] Beijing, February 7 (XINHUA)—China is to invite foreign scientists to head some of its research projects as a way of raising the country's basic science level.

To strengthen work in basic science, China has in recent years established 57 open research institutes and laboratories where researchers are free to exchange academic information with their overseas counterparts.

Professor Hu Haitang, head of the Basic Research and High Technology Bureau under the State Science and Technology Commission, said that in the future the positions of directors of open institutes or laboratories will be advertised nationwide instead of being allotted.

Of basic research in China, Hu said most pure scientific research will focus on limited projects that have potential strategic value.

"However, to a small number of promising scientists who are doing highly theoretical research, the state will also give support, although the potential applications of their work are unpredictable," Hu said.

A national conference on basic research and applied basic research is due to be held next week in Beijing, when, Hu said, government leaders will consult leading Chinese scientists on the future direction of Chinese scientific development.

Journal Publishes Abridged 1988 Economic Report
OW0802112889 Beijing BEIJING REVIEW in English
6-12 Feb 89 pp 17-20

[Text] [BEIJING REVIEW editor's note] Below we publish a slightly abridged translation of a State Statistics Bureau report analysing China's economic performance in 1988. [end editor's note]

Throughout 1988, China's national economy maintained sustained growth on both domestic and international fronts. At the same time, various breakthroughs were realized in science and technology. Structural contradictions, however, caused the gap between demand and supply to widen, fuelling inflation and lowering real income for some urban residents.

Achievements

Sustained growth. China is one of the few countries in the world with a high economic growth rate. Initial estimates put China's GNP for 1988 at 1,369.4 billion yuan, 11.2 percent (Footnote 1) (GNP, national income and figures for output value are calculated at present prices; their growth rates are calculated in prices adjusted for inflation) higher than in 1987, and its national income at 1,138.8 billion yuan, up 11.4 percent.

The rural economy also remained brisk, with initial estimates putting total rural output value at 1,100 billion yuan, up 10 percent on 1987. Apart from grain, cotton and oil-bearing crops, production of most agricultural products increased.

The industrial output value of enterprises above township level rose 17.7 percent on 1987 to top 1,500 billion yuan.

The communications and transport industries also progressed steadily. Rail freight volume registered an increase of 4.7 percent, and passenger turnover rose 11.4 percent. Cargo volume handled in China's ports rose 10 percent.

The national infrastructure was considerably strengthened by the completion of various projects which added 9.44 million kw of generating capacity, 15.76 million tons of crude oil, 30.9 million tons of raw coal, 7.44 million tons of port handling capacity, 830 km of new railways, 1,470 km of electrified railways, 120,000 tons of nonferrous metals and 600,000 tons of ethylene.

Foreign trade and investment. Foreign trade volume reached US\$102.9 billion in 1988, 24.4 percent up on 1987. Of this total, exports made up US\$47.6 billion (up 20.8 percent) and imports US\$55.3 billion (up 28 percent). New progress was made in increasing and rationalizing the use of foreign capital, with US\$8.8 billion concretely invested, 16.2 percent more than in 1987. Direct foreign investment was principally characterized by rises in the number of wholly foreign-owned

enterprises, the involvement of Taiwanese compatriots, the greater number of industrial projects, and export-oriented and foreign exchange earning projects.

Breakthroughs in science and technology. State prizes were awarded to 217 inventions and 515 technical advances in 1988. Among China's scientific achievements of the year were the accurate positioning of communications satellite above the equator, the launching of a guided missile from a submarine, and the completion of the Beijing electron collider and the Lanzhou heavy ion accelerator.

Problems

But despite the many successes of 1988, it was also a year when many problems surfaced.

1. Demand far outstripped supply as the gap between purchasing power and the supply of goods widened, raising the pressure on China's markets. For example, consumption rose from 14.7 percent of total demand in 1987 to 26.5 percent, commercial purchasing power stood 27 percent higher than in 1987, and there was an 80 billion yuan gap between purchasing power and goods available.

This imbalance was further exacerbated by an increase in the money supply far above the economic growth rate, the overrapid extension of bank credit, and the 430 billion yuan investment in capital construction—130 billion yuan above the target outlined in the state plan. Consequently the gap between bank reserves and loans continued to expand.

2. Last year, structural contradictions in China's economy became all the more conspicuous. For example, personal income expressed as a share of China's wealth continued to expand: from 59.9 percent of the GNP in 1984, to 62.6 percent last year. At the same time, people still spent most of their money on food, clothing and other daily necessities rather than on housing, travel, etc.

Along with the growth in institutional purchasing power, this meant consumption moved far beyond what the country could truly afford, further unbalancing the relation between supply and demand.

Industry's extra-high growth rate and the sluggishness of agriculture have widened the gap between the two. Whereas the industrial growth rate was three times bigger than agriculture's in 1987, last year it was seven times. Overall, agriculture's share of total national output value dropped from 29.7 percent in 1984 to 25 percent—back to the level of 1978.

Within industry, both rural industry and the processing industry developed disproportionately fast. Last year, township-run industry grew by 35 percent, and village-run enterprises expanded even faster. In consequence, the irrational distribution of resources became all the more

striking as energy output, mining, and the production of raw and semi-finished materials stagnated. Processing industry's share of total industrial output value rose by 23 percent, while mining, and the production of raw and semi-finished materials grew by only 10.8 percent.

In agriculture, output of such staple products as grain, cotton and oil-bearing crops all fell, despite the fact that the population has been growing fast, making the contradiction between supply and demand all the more conspicuous. Last year, China produced 394 million tons of grain, down 2.3 percent from 1987; 4.06 million tons of cotton, down 4.3 percent; and 12.85 million tons of oil-bearing crops, down 15.9 percent.

The output of grain, cotton and oil-bearing crops has now hovered around the same level for several years, while the population has been growing fast. Last year, the population's natural growth rate stood at 15.73 per thousand, the highest figure recorded since 1975. China's population is expected to top 1.1 billion in March or April this year, bringing an increasing pressure to bear on the supply of farm and sideline products.

Whereas China was a grain exporter in 1985, it is now an importer: From 1987 to 1988, it bought more than 16 million tons of grain from abroad.

Transportation is another area that has failed to expand at rate adequate to meet the country's economic growth.

3. Last year, retail prices rose by 18.5 percent and the consumer price index by 20.7 percent, figures never witnessed since the founding of New China in 1949. Industrial prices also rose fast: In the first nine months of 1988, the price index of 15 capital goods under the management of goods and materials departments rose by 18.5 percent (in the same period of 1987 it was just 6.1 percent).

These price rises were exacerbated by the buying spree which hit the country last year, causing sharp fluctuations in the retail market and reducing the availability of commodities already in short supply.

The continued existence of the dual track pricing system (where the same commodity can have both a state-set price and a free market one) caused severe disruption to the circulation of commodities. With continued shortages of many goods, some people found the profits from speculation all too tempting. In consequence, a "trading craze" hit the country, which, combined with the lack of explicitly defined policies concerning the circulation of commodities, gave rise to profiteering and racketeering, severely confusing the economic order.

The main reasons for inflation and the overheated industrial growth were:

—An over-anxiety to realize quick results in production, construction and reform;

—With China's economic system in transition from the old, centralized system to a new, market-oriented one, many readily exploitable loopholes have emerged, in particular, a large number of localities, departments and enterprises have lacked the self-restraint necessary to forgo local interests in favour of national ones;

—Tools of macro-economic control remain weak, and therefore the government could not make timely and effective responses to contradictions and problems arising in the economy.

In addition, a series of national disasters played a major role in reducing agricultural output.

Looking Ahead

China's economic policy for 1989 centres on retrenchment and readjustment.

Agriculture. In 1989, both central and local governments have to strengthen their leadership over agricultural production and construction and improve agriculture-related services. Vigorous demand for farm produce and continued price rises may stimulate farmers to increase production. Provided there are no serious natural disasters, agricultural production is expected to pick up in 1989.

Cotton is one area demanding particular attention. Low priced at present has chilled farmers' enthusiasm for production. Unless effective measures are taken to promote cotton, production may well decline. For similar reasons, farmers' enthusiasm for raising pigs is unstable.

Industry. As China pursues a policy of consolidation, the industrial growth rate, especially in heavy industry which is particularly restricted by limited funds, energy, raw materials and transport, should fall through 1989. But still the growth rate is estimated at no less than 10 percent.

Investment. In 1989, budgeted investment is expected to be reduced. However, it will be difficult to cut un-budgeted investment because of the lack of effective means of control. Key projects will continue to be faced with a severe shortage of funds, making it essential to introduce measures such as a tax on un-budgeted investment to strictly control its numbers.

Markets. China faces a tough job in 1989 stabilizing its markets and prices. Many problems left unresolved in 1988 will continue to exert inflationary pressure, such as the steep increase in the money supply, the unbridged gap between supply and demand, and the large amounts of savings held in cash ready to be converted into commodities at the threat of inflation. There is also the possibility that price readjustments already scheduled for 1989 will further fuel the arbitrary marking-up of prices, as witnessed in 1988.

Because of this, it is necessary to reinforce price control, especially for such daily necessities as grain, edible oil, meat, sugar, vegetables, salt and cloth, as well as the means of agricultural production. No unauthorized price mark-ups should be permitted, and all official price adjustment measures should be delayed as long as possible. In general, these adjustments should be minor so as to foster and encourage stability on China's markets. In particular, various measures should be taken to encourage residents to increase their bank savings and to improve the banks' ability to recall money and restrict credit.

Plan Slated To Curb Excessive Industrial Growth
OW0802103189 Beijing BEIJING REVIEW in English
6-12 Feb 89 p 25

[Article by Zhang Lanhui and Luo Jiyan: "Cutting Growth Down to Size"]

[Text] In the first ten months of 1988, China's industrial output value rose 17.8 percent, far exceeding the 7 percent planned for the year. Light industry, with a 19.3 percent growth in output value expanded slightly faster than heavy industry at 16.3 percent.

The industrial output value for 1988 was a 17.7 percent more than that of 1987.

Why the Excessive Growth?

China's excessive industrial growth has highlighted problems in its energy, communications and raw material industries. The strain they are now being put under also threatens the country's long-term prospects for stable and coordinated economic development. But why has growth been so rapid recently?

Analysts claim the major reason is the total imbalance between demand and supply. To some degree this has been caused by the greater hold gained on the economy by the contract responsibility system and the growing effects of enterprise reform. But of far greater significance is the massive rise in the scale of capital construction and non-budgeted investment. Not only has the demand for building and other raw materials spiralled, but funds available for individual consumption have risen rapidly as well.

The excessive construction scale further widened the gap between supply and demand, stimulating the continuous growth of production.

How to Curb It?

The Third Plenum of the 13th CPC Central Committee called for industrial growth rate to be cut to 10 percent or lower in 1989 to cool off China's overheated economy. To realize this, it proposed the following measures:

—Cutting investment;

—Controlling the over-rapid growth of consumption funds and purchasing powers of government institutions and public organizations by ensuring wage increases are matched by a growth in productivity. Simultaneously, control will be strengthened over the total amount of wages and bonuses. The reckless issuing of bonuses, allowances and payments in kind will be prohibited.

—Checking demand by restricting bank loans and the issuing of money to slow down the growth of industrial production.

The State Planning Commission recently issued a notice aimed at controlling the over-rapid growth of industrial production. It demanded: (a) that the production of products which consume large amounts of power or raw materials in short supply other than daily necessities be resolutely stopped; (b) that poorly-managed enterprises, ones with a long history of running at a loss, and ones producing low-quality or unmarketable products, should be closed down, forced to manufacture other products, or merged with other enterprises; (c) the output of industrial products should be adjusted in line with the reduced scale of construction and investment; (d) township enterprises which consume large amounts of energy, produce low-quality products and which compete for raw materials with large factories should either be closed or switched to manufacturing other goods.

It was also demanded that coastal areas registering excessive industrial growth should organize production in accordance with the availability of energy and raw material supplies.

Overall, the aim is to restrain total demand while adjusting product mix particularly as regards collective and other enterprises that consume large amounts of energy, cause serious pollution, are inefficient and manufacture poor-quality products. Simultaneously, production and management must be strengthened, material consumption reduced and quality raised so as to improve and increase supply.

The production of agricultural products, goods in short supply and daily necessities should be encouraged and supported, as should the communications, transport, energy and raw material industries in order that China's economy can develop in a sustained and balanced manner.

Journal Views Restraint of Capital Construction
OW0802093289 Beijing BEIJING REVIEW in English
6-12 Feb 89 pp 20-23

[Article by Staff Reporter LI Ning: "Curbing Capital Construction"]

[Text] One of the major reasons for the severe overheating of the Chinese economy has been the enormous surge in capital construction—the building and equipping of large-scale projects such as factories, mines, railways, bridges, irrigation, housing, hospitals, schools, roads, and pipelines.

At an ever increasing speed over the last few years, government departments, companies, and other organizations have apparently competed with each other to see how rapidly they could erect new buildings across the face of China.

Many foreign visitors have remarked on the country's resemblance to one vast construction site. In many ways, this is an apt description. At the end of September 1988, some 51,486 construction projects with a projected total investment of 700 billion yuan were under way nationwide. On average, 60 new projects were starting every day, and investment for the year is estimated at 420 billion yuan, exceeding the state plan by 120 billion yuan. Like a train out of control, China's construction looked to be gathering an unstoppable momentum.

Imbalanced Investment

According to figures recently released by the State Statistical Bureau, China has invested 1,644.1 billion yuan over the last nine years in building, renewing and equipping some 600,000 projects, adding 829.5 billion yuan to the value of the country's fixed assets. Looked at another way, every day an average of 500 million yuan has been invested and 183 projects completed—far more than China could truly afford.

But it is not simply the amount that has cost China a great deal: Less than 20 percent of this investment has gone on developing energy, transport, communications and important raw material resources. The rest has been spent on processing industry and other construction projects. And with increased production of industrial and consumer goods, social consumption has been fuelled, adversely affecting the steady long-term development of the national economy.

From 1979-87, China's gross national product grew at an average annual rate of 9.3 percent and state revenue at 8.6 percent. Investment in fixed assets, however, topped 20 percent, far outstripping the country's financial and material capacity. Recent figures put investment in construction at three times as much as 1987's state revenue.

Problems have emerged in various areas because of this overrapid expansion. In 1987, when total investment in capital construction was around 210 billion yuan, 50 percent of national steel output, 29 percent of timber and 47 percent of cement went into construction. With the increase of investment, these resources have come under enormous strain. Faced with domestic shortages, China has had to turn abroad. Over the past nine years, for example, 93.53 million tons of rolled steel have been imported.

Construction Savings

Since last September, the Chinese Government has made cutting investment in nonproductive projects the centre point of scaling down capital construction as a whole. Overall, the declared aim for 1989 is to cut total investment in 1989 by 20 percent—50 billion yuan—compared with 1988.

The first batch of projects either halted or postponed included many auditoriums, hotels and guesthouses in tourist centres. For example, in the coastal cities of Beidaihe and Xingcheng, local government departments have declared their intention of stopping 60 percent of all construction projects.

Among them is the 14 million yuan "Beidaihe 853 Project" initiated by a State Council ministry. After holding a special fund-raising meeting in 1985, money for this 11-story sanatorium was raised from numerous sources: 2 million yuan from the "minister's fund," 5 million yuan "arranged" by the planning department, and 7 million yuan "raised" by various units. Altogether, 43 units contributed to the project.

Projects Halted

Chen Guangjian, head of the State Council's office in charge of inspecting investment in capital construction, said that the current round of cutbacks differs from previous attempts to curb spending. Formerly, it was done by stipulating a percentage of investment to be axed. This time, entire projects are being suspended. He says that the money saved will be redirected into essential schemes.

The State Council's list of projects to be halted includes:

- Unauthorized departmental and local projects beyond the state plan for the production of video recorders, programme-controlled telephone exchanges, sedan cars, motorcycles, microcomputers, household refrigerators, cameras, beer and 12 other products.
- Factories aimed at manufacturing goods requiring materials for the domestic market.
- Factories with an excessive capacity for manufacturing or processing consumer goods such as televisions, cigarettes, ring-pull cans and photographic film, and various industrial goods such as small rolling machines, permanent magnetic alloys, plastic and aluminum door and window frames, plastic wallpaper, etc.
- Projects with poor economic returns or which create serious pollution, such as diesel generators, small iron smelters, copper smelting and electrolysis and airports with an annual handling capacity of less than 20,000 people.

- Projects for manufacturing high energy consuming products restricted by the state such as air conditioners, electric rice cookers, irons and water heaters, microwave ovens, etc.
- Nonproductive projects and projects not deemed urgent for urban construction.

Chen said that apart from a number of medium- and low-grade tourist hotels, construction of all hotels and guesthouses began in 1988 will be suspended and no further ones permitted for the next three years.

To enforce these cutbacks, the State Council stipulated that from December 1 the bank would cease issuing loans and allocating funds for all banned projects, the government materials department would cease supplying them with materials, the power department would cease supplying electricity, the construction management department would annul their construction licenses, and the industrial and commercial management department would withdraw their passes permitting them to prepare these projects.

Capital Cutbacks

Beijing Deputy Mayor Zhang Baifa is responsible for the city's capital construction programme. Looking back over the past few years, he said the protracted building cycle of a huge number of projects had led to poor economic returns and huge wastage. Investment in projects now under way was 2.5 times greater than in 1982.

Last October, for instance, 60 million square metres of land was requisitioned for construction, and applications for construction projects covering 40 million square metres were submitted to higher authorities for approval. At the present rate of construction, it would take about eight years to complete these projects. When completed, they would add further all-round strains to the city's supplies of water, electricity, heating, gas, transport and communications.

Scaling down capital construction was thus an immediate task. On November 7, the municipal government declared its first batch of 20 projects to be suspended or postponed. With a total planned area of 600,000 square metres, they would have required an investment of more than 700 million yuan. Fourteen of the projects were guesthouses or hotels, including the "Sichuan Edifice," known by the public as the "Deng Xiaoping Project" because of his involvement in its establishment. Beijing citizens consider the cancellation of this project an indication of Deng's support for cutting back construction.

On November 10, the Beijing authorities announced another 40 projects to be halted or postponed. Covering 500,000 square metres, these involved an investment of 600 million yuan. Some 21 of these were sponsored by government departments, including three apartment buildings for senior cadres to have been built by the State Council's Bureau of Government Offices Administration.

According to figures released by the State statistical Bureau in January 1989, by the end of last November 10,220 construction projects had been suspended or postponed across China. Around half of these were guesthouses, hotels and other buildings. Stopping them has saved 33.4 billion yuan in future investment.

Overseas Assurance

Despite these cutbacks, Li Lanqing, vice-minister of foreign economic relations and trade in charge of overseeing overseas investment, said Sino-foreign cooperative projects were excluded from the list of banned projects, and foreign investors should have no fears that they might be adversely effected. As an example of China's commitment, he cited a recently signed agreement with Belgium for an interest-free loan to build a leprosy convalescence centre.

State Council Minister on 1989 Structural Reform
OW0802055989 Beijing XINHUA Domestic Service
in Chinese 1437 GMT 4 Feb 89

["Local Broadcast News Service"]

[Text] Beijing, 4 Feb (XINHUA)—In a recent interview with a XINHUA reporter, He Guanghui, vice minister of the State Commission for Restructuring the Economy, answered this reporter's questions on the current situation in our reform and the main task in this year's reform.

Question: Over the past year, because of new difficulties in reform, people regard it as stagnant and even retrogressive. What is your assessment?

Answer: Last year, our country did face an overheated economy, marked inflation, a chaotic market, and other complicated conditions. As a result, both the economy and reform were in great difficulties. It was precisely to counter this tendency that the 3d Plenary Session of the 13th CPC Central Committee called for improving the economic environment and rectifying economic order. This was entirely necessary. However, this did not imply "stagnation" or "retrogression" of our reform. Exactly the opposite was true. In 1988, our reform, always following the course charted by the 13th party congress, surmounted all kinds of difficulties and made much headway.

Question: What is the principal task of our economic structural reform in 1989?

Answer: For our economic structural reform this year, we must grasp well the following five points:

First, we must put deepening enterprise reform and raising economic results above all else; second, we must concentrate our efforts on systematically building an overall control system, favorable to total balance and superior structure; third, we must check and guide consumption, mitigate unfair distribution, and spur the transfer of the distribution mechanism; fourth, we must rectify the market order and promote the growth and improvement of market organization; fifth, we must strengthen research into, and drafting of, the interim plan for our reform, and continue to master comprehensive reform trial projects.

Question: Questions, not to be ignored, exist on current social distribution and consumption. Do we have any plan in our reform to tackle these questions this year?

Answer: Our experience at home and abroad shows that the question of distribution and consumption is a big problem, which is very difficult to solve, but must be solved in the socialist countries' process of reform. Here the maladies, which easily appear, are: first, the growth of consumption exceeds the real growth of production; second, while egalitarianism still exists, unfair distribution also appears in society. In fact, these two maladies have already existed in our country and are indeed continually growing. In making reform this year, we must try to accomplish something to solve this problem. First, we must further perfect the method of linking total wages of an enterprise with its economic results so as to stop up the loopholes of recklessly giving bonuses and gifts in kind and shifting the burden onto consumers by raising commodity prices at will. Next, we must use taxation to regulate income and distribution and reduce the loss of revenue. Finally, we must regulate the structure of consumption and separate buying power. This will include raising the interest rate on savings deposits to increase the withdrawal of currency from circulation, encouraging urban and rural residents to buy stocks and bonds to change part of the consumption fund into an accumulation fund, speed up commercialization of housing, start to build a new social insurance system, and reform the unreasonable practice of the state running the whole show.

Question: Rectifying the market order is an important part of deepening reform. What are the main contents of this year's rectification?

Answer: The specific contents of rectifying the market order are: Continue to firmly grasp clearing up and rectifying various kinds of corporations and wholesale enterprises, bring trade into the open and do business by using bills and notes, set strict demands on managers in keeping standardized business account books, strengthen commodity price controls and resolutely control the rise of commodity prices, let it be known that all promulgated market laws and regulations must be strictly observed, formulate and improve market regulations, and speed up formulating new laws and regulations, including the anti-monopoly and anti-illegal trade laws. Moreover, we must continue developing a variety of markets to expand the circulation of commodities and the essential factors of production. We must pay special attention to promoting the development of new-type market organizations, such as trying out in some cities and prefectures large enterprise groups with the integration of production and marketing, comprehensive firms, running a farm produce futures market on a tentative basis, tentatively running regional common markets in coastal open areas, and opening the market whose business is to transfer the possession of real estate to spur further thriving of the socialist commodity economy.

Beijing Papers List Substandard Goods Producers
OW0402062689 Beijing XINHUA in English
0724 GMT 3 Feb 89

[Text] Beijing, February 3 (XINHUA)—Beijing-based newspapers today prominently published a list of 36 producers of substandard products—the first time such a list has been made public by the State Technological Supervision Bureau.

Xu Zhijian, director of the bureau, told a press conference that the publication of the list was aimed at combining governmental and public supervision of quality control and safeguarding the interests of consumers.

The list was published as the result of a request by State Councillor Song Jian, who said he hoped it would strengthen government and public demands for better quality Chinese-made goods.

The poor quality products were revealed by a recent market survey of 10 major Chinese cities. Random checks of 1,764 varieties of goods identified a 42.7 percent rate of substandard production.

In addition, investigations are still being conducted into the manufacture of a number of fake products found by the survey.

In mid-1987, efforts by the Ministry of Light Industry to hold a public exhibition of shoddy goods were thwarted—apparently as a result of pressure from frightened manufacturers who felt that their sales might be affected.

In a commentary, the "ECONOMIC DAILY" applauded the publication of the list, calling it an important step in improving the overall economic environment.

Henan's Zhengzhou International Airport Opens
OW0702183089 Beijing Domestic Service in Mandarin
2230 GMT 5 Feb 89

[Text] After approval by the State Council, the Zhengzhou Airport in Henan Province was formally inaugurated as an international airport on 5 February.

So far, the Zhengzhou Airport has opened domestic air routes to 13 provinces and municipalities, including Beijing, Shanghai, and Guangzhou. Its international air routes will also be opened one after another. The Zhengzhou Airport is capable of accommodating the landing and takeoff of Boeing-737 and Boeing-757 jumbo and medium-sized airliners.

Rural Reform Entering 'Another Critical Period'
OW0702180389 Beijing XINHUA in English
1454 GMT 7 Feb 89

[Text] Beijing, February 7 (XINHUA)—China's rural reform has entered another critical period in spite of

historic achievements it has already scored over the past ten years, the latest issue of "CHINA QUARTERLY" reports.

The quarterly scheduled for publication in mid-February says the new problems that have cropped up in the countryside include a four-year stagnation of grain output and fluctuation of production of cotton and some other farm products.

As the economy has developed and the population continued its natural growth rate, the quarterly notes, demand for farm products has risen, involving the needs for food consumption, raw materials for industries and products for export.

Demand for farm and sideline products has exceeded supply, pushing up prices and adversely affecting the livelihood of urban and rural residents.

In analyzing the reasons why the current gap between the supply of and demand for farm products, the quarterly listed limited farmland as one.

Another reason is that funds tend to be channelled towards high-earning commodities and trades rather than agriculture, especially crop cultivation, which is comparatively less attractive, as the market economy has developed.

Other reasons include lack of a market mechanism in China and rapid growth of consumption.

The quarterly calls on the state to increase investment in agriculture and further the on-going rural reform to boost grain production.

According to the quarterly, rural reform has made China's countryside begin the process of a shift from an economy based on self-support to a large-scale market economy.

At present, an agricultural system suited to the market economy has been instituted, but is far from perfect, the quarterly explains.

Therefore, it is a critical period during which the new structure is replacing the old one and it is imperative to further the rural reform, in order to ensure the steady growth of agricultural production and rural market economy.

Expert on 'Too Low' Official Population Forecast
OW0802055389 Beijing XINHUA in English
0234 GMT 8 Feb 89

[Text] Beijing, February 8 (XINHUA)—China's population by the turn of the century may be 100 million higher than the current official forecast of 1.2 billion, population experts said today.

The population may top 1.3 billion due to laxity in administering the country's birth control policy, the experts said.

The experts discount official pronouncements that the over-rapid increase of the country's population is the result of a baby boom.

Yu Jingyuan, senior engineer of the Beijing Institute of Information and Control, said that if the country had stuck strictly to its policy of allowing one child per couple and two children only in special cases, then the country would have been able to keep to its goal of limiting the population to 1.2 billion by the year 2000.

The population is currently estimated at between 1.08 and 1.1 billion. In 1980, it was 978 million. Around 360 million were born between 1962 and 1975 and as they have entered marriage age they have fueled a baby boom, CHINA DAILY reported.

"Stricter controls should be placed on rural families from having more than one child, although the deep-set tradition to have a son has thwarted efforts in the past," the Beijing-based English newspaper quoted Yu as saying.

He said staff doing population control work should make greater efforts to explain the government's policy to the rural masses.

More attention should also be given to setting up kindergartens and homes for the aged in rural areas to lessen the need for large families as a means of taking care of the young and the old, said Yu, vice-president of the institute.

He said the introduction of the contract system in the countryside has also encouraged larger families under the widely-held belief that more people means more output which in turn means more profits.

Rural areas should look after small families and arrange extra labor or help for them as needed, Yu said.

Last month, urban population experts from the Asian-Pacific region gathered at the East-West Center in Hawaii to discuss the problem and ways of dealing with it.

A report is being sent to the Chinese Government, according to the newspaper.

It said some participants at the conference agreed with the East-West Center's projection that China will still be the most populous country by the year 2050 and not India as some demographers have forecast.

Thus, family planning cannot slacken and adherence to the government's policy is essential, the paper added.

"We must do this not only for ourselves, but also for all the generations yet to come," Yu Jingyuan said.

East Region

Governor Wang Addresses Fujian Auditing Cadres
OW0702134889 Fuzhou Fujian Provincial Service
in Mandarin 1100 GMT 4 Feb 89

[Text] On the afternoon of 3 February, Provincial Governor Wang Zhaoguo visited the training base for Fujian Province's auditing cadres to extend Spring Festival greetings to cadres, staffers, and workers of the Provincial Auditing Bureau as well as to the auditing departments of the whole province and their families. He also gave an important talk on auditing work.

Provincial Governor Wang said: Auditing is necessary work for the nation's various economic activities. Both the party Central Committee and the State Council have attached importance to this work. Only by strengthening auditing supervision can one be sure that the various economic activities are fulfilled according to the law.

He said: In the current economic activities, an overwhelming majority of operators abide by the law. However, there are also a few who practice fraud and hurt state interests. Without the supervision by the auditing departments, state interests would end up in the hands of small collectives or individual operators.

Provincial Governor Wang said: The auditing work in the new year will be very heavy. He called on the auditing workers to implement the guidelines of the 3d Plenary Session of the 13th CPC Central Committee, bring their role into full play in improving the economic environment and rectifying economic order, and make still greater contribution in revitalizing Fujian's economy in the new year.

Provincial Governor Wang pointed out: It is necessary to persist in auditing work on a regular basis. If the regular auditing work is done properly, it can gradually replace the annual general annual finance inspection. This benefits both the government and the enterprises.

In conclusion, he urged leading cadres at all levels throughout the province to support auditing work.

Gu Xiulian Addresses Jiangsu Work Meeting
OW0702032389 Nanjing XINHUA RIBAO in Chinese
22 Jan 89 p 1

[Text] At a provincial meeting on planning and restructuring the economic system that closed on 21 January, Governor Gu Xiulian called on all the people of the province, while making efforts to further unify their thinking and understanding, to resolutely and effectively carry out efforts to improve the economic environment and rectify the economic order, and to struggle hard to accomplish this year's economic tasks.

In her speech, Governor Gu Xiulian first summed up Jiangsu's initial achievements in improving the economic environment and rectifying the economic order since the 3d Plenary Session of the 13th CPC Central Committee. These achievements include: Construction of some projects had been halted, saving 3.5 billion yuan in investment; construction of another 1,000 projects, approximately, will be stopped in the near future. Excess growth of consumer funds had been slowed down, and institutional consumption from January to November of 1988 was 45 percent lower than the same period of the previous year. Savings deposits of residents of urban and rural areas had increased, and the amount at the end of 1988 was 3.78 billion yuan more than that at the beginning of the year. Credit loans had been curbed to a relatively large extent; loans for purchasing agricultural and sideline products and products for export had been increased. Inflation had begun to slow down; since October last year, the rate of increase of the price index had stabilized at the rate of September, and had become increasingly steadier. Contract purchase of grain and cotton had been basically completed. Work in examining and consolidating enterprises had been carried out smoothly; 2,068 companies were found to have personnel, financial, or material connections with party or government organs, of which 599 had been shut down. More than 9,000 cases involving profiteering by companies (enterprises) were cracked, of which 40 involved 100,000 yuan or more. Good results had been achieved in taxation, financial, and price inspection. Some 560 million yuan in violation of financial regulations were detected; 350 million yuan were found to have been due to the government, of which 220 million yuan had already been paid.

Governor Gu Xiulian said: We should not overestimate our achievements in improving the economic environment and rectifying economic order. Currently, the economy is still overheated, and social demands still outstrip social supply; therefore, we still have arduous work in this area. Besides, we have serious shortages in funds, coal, electric power, raw materials, and transportation capacity. There are some hidden dangers in our economic work. Governor Gu said: From the standpoint of a leader, it is preferable to consider problems more complicated than they actually are, because, by doing so, we shall be able to keep our heads sober and try to take initiatives in doing our work. On the other hand, we should see the favorable conditions and positive factors in our work, so that our confidence can be strengthened. Jiangsu has a relatively good economic foundation. This, together with the considerable amount of investments we have made in the past few years, have strengthened our economic power. Our commodity economy is comparatively well developed; our products are competitive; our enterprises have a strong ability to adapt to new conditions; and most of our cadres at the grass-roots level are comparatively well-educated and experienced. The central authorities' policy of improving the economic environment and rectifying economic order is correct, and their decision is firm. We should make full use of

these favorable conditions, and regard improvement and rectification as a new opportunity. Governor Gu Xiulian called for making good use of opportunities in the following four areas: First, we should consider cooling down the overheated economy as an opportunity, and be determined to turn the high speed of economic development into improving economic results. We should shift our efforts from external expansion to internal improvement, and straighten out the guiding thought on economic work. Second, we should regard readjusting the economic structure as an opportunity, be determined to use limited funds and resources in a reasonable way, and strive to develop production work through employing modern scientific and technological methods. Third, we should consider implementing the strategy of economic development in the coastal areas as an opportunity, and take advantage of the government's liberal policy to vigorously develop an export-orientated economy. Fourth, we should consider speeding up enterprise reform as an opportunity, and be determined to do away with the practice of mainly depending on increasing capital to develop an enterprise. Instead, an enterprise should actively seek opportunities to merge or associate with others, buy shares in other enterprises, contract others' work, run other enterprises on a lease basis, and auction off unprofitable operations, in order to facilitate the flow of assets and optimize organization of personnel and financial and material resources.

After setting forth an initial plan on the main targets of the province's economic and social development this year, Governor Gu pointed out emphatically: Currently, all the people of the province, while making efforts to further unify their thinking and understanding, should resolutely and effectively carry out the work of improving the economic environment and rectifying the economic order. Currently, arduous work on unifying thinking is yet to be done. Therefore, we should integrate the work of unifying thinking with our efforts to improve the economic environment and rectify economic order, and simultaneously carry out the work in these two areas. This work should be carried out voluntarily, not under duress; should be carried out in a resolute manner, not with hesitation; and should be done firmly, not perfunctorily. This work should yield results. So, not only should our thinking adapt to the new conditions, but we also need to have new measures and practical and feasible ways to carry out the work. For example, in the course of improving and rectifying the economic order, we should learn to protect the overall interest by sacrificing the local, and to support the general situation by invigorating the local; in the course of readjusting the mix of our products, we should study market characteristics during inflation and market changes during economic retrenchment to enable us to make correct choices; and, during domestic economic retrenchment, we should learn to obtain overseas capital and explore the overseas market, that is, to acquire the ability to seek both domestic and overseas resources and to explore both domestic and overseas markets.

Governor Gu talked about eight economic tasks in particular: taking firm steps to reduce societal demands, making vigorous efforts to increase effective supply, working actively to readjust the economic structure, working hard to broaden revenue resources and reduce expenditure, controlling the rate of price increase strictly, accelerating scientific and technological advance, continuing the efforts to develop an export-orientated economy, and deepening reform comprehensively. Speaking of taking firm steps to reduce societal demands, the governor said: We must be firm in reducing investment in fixed assets. According to the state plan, our province's total investment this year is expected to decrease by 52 percent from that of last year. This is a difficult task to fulfill. However, we must do it, and as soon as possible. Our losses will be less if we take the necessary steps to reduce investment early. We must be firm on this. We must take effective measures to curb the fast growth of consumption funds. We must be determined to control unjustified wage expenditures and stop waste in institutional consumption. There is still the widespread practice of wantonly distributing bonuses, subsidies, and goods, and a craze to compete in spending. We must manage and control strictly consumption spending by taking the necessary measures in tax, credit, production costs, wages, and rewards. Governor Gu said: While taking firm steps to reduce the total demand, we must make vigorous efforts to increase effective supply. We must pay special attention to the supply of coal, electricity, money, and a number of raw and semifinished materials, and we must pay special attention to the provision of public transportation. We must concentrate our efforts to ensure the normal operation of our production facilities. We must work hard to overfulfill our coal production plan. We should launch more joint coal production ventures and, at the same time, step up construction of our own coal mines. The city and the power bureau should institute a system of dual responsibility, under which each will assume its respective economic responsibility in the distribution of coal and electricity. It is necessary to build a coal and electricity distribution network and establish a strong management group to coordinate their distribution. It is necessary to make full use of our strong river and sea navigation capacity to increase coal shipment. We have great difficulties in obtaining cotton for our textile mills this year. This is primarily because the state, instead of sending cotton to our province as it did in the past, is asking us to supply cotton to other areas, thus sharpening the already acute shortages in cotton supply. The governor said: After careful study, the provincial government has decided on a policy of "giving equal consideration to cotton producers and sellers and giving appropriate preferential treatment to cotton growing areas." We should have a common understanding on this issue. All our cities should take the overall interest into consideration, and both the producers and the sellers should make necessary sacrifices to ensure the fulfillment of our plan. The governor pointed out emphatically: We cannot expect to meet the demands simply by doing our best to increase the effective supply. We must also take serious

steps to carry out structural readjustment to ensure that our limited financial and material resources are used where they are most needed. At the same time, we should launch vigorous drives to increase production and reduce expenditure. We should tap fully our potential and make serious efforts to resolve the contradictions between material shortages on the one hand and waste and excessive overstocking on the other. We should make serious efforts to raise efficiency in the use of material and financial resources. In agriculture, we should use every possible means to ensure a stable increase in the output of grain, cotton, and edible oil crops. We should have strong determination to increase agricultural investment. We should, in accordance with the state policy, increase agricultural development funds, strictly control their use, and ensure that they are used efficiently. Many small fertilizer plants have stopped operation because of lack of coal and electricity. Every effort should be made to enable them to resume production. Electricity supplied by the province must be used exclusively for the designated purpose. All trades and professions must regard agriculture as the foundation of the national economy and increase their support of it accordingly.

Speaking of the financial, banking, and commodity price issues, Governor Gu said: As a result of the retrenchment policy, contradictions between supply and demand in finance and credit are going to be very acute in the next 2 years. We shall slow down industrial growth this year. However, we must make every effort to increase economic efficiency, broaden revenue resources, and reduce expenditure to ensure the fulfillment of our revenue plan. We must be primarily self-reliant to ease monetary shortages. We must vigorously promote savings deposits, actively raise funds, and, at the same time, control money circulation. We must pay special attention to readjusting our credit structure, reduce loans of a general nature, and reserve funds for key projects. Governor Gu said: The increase in commodity prices must be notably lower than last year. This is the central task in this year's drive to improve the economic environment and rectify economic order. It should be the focus of all our economic work. We must not waver in our minds or relax our efforts on this. To strictly control the rate of increase of commodity prices, we should work hard to raise the capacity of the enterprises to absorb increased cost. We should foster the spirit displayed when people jointly lift a large stone. All quarters should make concerted efforts. We must tighten price discipline. We must clearly define the authority over price matters. No one is allowed to exceed his authority.

Governor Gu said: We must correctly handle relations between improving the economic environment and rectifying economic order on the one hand, and comprehensively deepening reform on the other. We must improve the economic environment and rectify economic order to create a favorable atmosphere for deepening reform. We should clearly define the focus of this year's comprehensive reform. We should accelerate enterprise reform,

attach due importance to market building, and strengthen macroeconomic regulation and control.

Governor Gu concluded: This year's task of improving the economic environment and rectifying economic order is extremely difficult. We must make serious efforts to strengthen leadership. Departments at all levels must uphold the principle and subordinate their individual and local consideration and interest to the general, overall interest. We should strictly observe discipline: lower party organizations should subordinate themselves to higher party organizations, and all the constituent organizations and members of the party should subordinate themselves to the party Central Committee. We should also promote plain living and hard struggle, and oppose wasteful and extravagant practices. We should set higher government standards, uphold honest government, oppose bureaucratism, and improve work efficiency. The governor also called for earnest efforts to do a good job of improving commodity supply and transportation, supporting the military and giving preferential treatment to military families, making arrangements for the daily life of poor families, and improving public order during the Spring Festival season.

The meeting was presided over by Vice Governor Chen Huanyou and attended by Vice Governors Ling Qihong, Zhang Xuwu, and Wu Xijun.

The provincial leaders also awarded the 1988 provincial quality control prize to 20 enterprises; the 1988 quality prize to 839 products; and the gold, silver, and bronze medals of the First Chinese Food Exhibition to 334 products.

Jiangxi Governor Addresses Telephone Conference
OW0702182689 Nanchang JIANGXI RIBAO
in Chinese 26 Jan 89 pp 1, 3

[Dispatch by reporter Chen Xiaoyun]

[Excerpts] The industrial and communications front in Jiangxi Province should take immediate and resolute actions to stop the decline in production and strive for a steady development of industry and communications. This was the request made by a provincial telephone conference on industrial production and communications held on the evening of 25 January.

Jiang Zhuping presided over the conference. Wu Guanzheng and Qian Jiaming attended and gave speeches.

Since the beginning of this year, there has been a decline in industrial production and transport volume due to the direct effects of shortages in coal, electric power, transport, raw and processed materials, and funds. For this reason, the telephone conference demanded: It is necessary to seriously implement the guidelines of the provincial economic work conference and correctly understand the relationship between curbing the overheated economy and keeping a proper economic growth rate. We should not

interpret unduly the curbing of the overheated economy as keeping the growth rate at the lowest level, so low that even a reasonable growth rate is ignored. Particularly as the coal and electric power supply and transport are in an abnormal situation at present, leading cadres at all levels should have a sober understanding of the economic work. Under no circumstances should they be slack, crude, and careless at their work and adversely affect the work of the year as a whole. All prefectures, cities, departments, and enterprises should consider their realities, seriously analyze their situation, and know their difficulties and problems as well as their favorable conditions for fulfilling their tasks. They should increase their confidence, enhance their ability to deal with difficulties, and never be in a slack mood. The production should be well arranged day-by-day and shift-by-shift, and all links should be well coordinated so that the production work is organized in the best way. In particular, the Spring Festival holiday should not be too long. Mining and county enterprises should ensure high work attendance rate, and all enterprises should improve labor productivity and avoid enforced idleness due to poor organization of work. Great efforts should be made to produce more marketable products and satisfy the market demand during the Spring Festival holiday. It is necessary to do all we can to arrange well the production of food and other daily necessities for the people and give high priority to the production of supplies for agricultural production, such as chemical fertilizers, insecticide, and plastic films. It is necessary to create favorable conditions for a full-load production of highly profitable, fast-selling products. It is necessary to pay attention to the production of basic raw materials, such as steel and chemicals. [passage omitted]

In order to organize well the production at present, the industrial and communications front in the province must go all out to ensure good results in coal production, electricity supply and transport. All coal mines in the province must guarantee the completion of production tasks in January and February. During the Spring Festival period, all coal mine workers should remain on work posts and strive to produce more coal, and production should not stop except for necessary equipment safety inspection and repair. The electric power and other industrial departments should strive to get coal under unified state distribution shipped to the province from other parts of the country, and strive to buy coal from outside the province to ensure the coal supply for electricity generation in the first 2 months of the year. [passage omitted]

The concerned departments and enterprises should support the work of the economic committee and comply with government orders and prohibitions. Leading cadres at all levels should work in accordance with the arrangements made by the provincial party committee to seriously educate the workers and staff members in the current situation and enhance their understanding of the general principles and policies concerning reform and opening up to the outside world. At the same time, it is necessary to show great concern for the well-being of the workers and staff members and ensure safety in production. Safety

management should be an important criterion for appraising the job performance of leaders of prefectures, cities, departments, and enterprises. It is necessary to ensure safety of passenger transport during the Spring Festival period. In order to prevent accidents, public security and transport departments should further enforce safety measures on ferries, motor vehicles, and boats run by self-employed workers, as well as on the highways.

Shanghai Leaders Mourn Panchen Lama's Death
OW0702132189 Shanghai City Service in Mandarin
1000 GMT 2 Feb 89

[By station reporter Zhong Wentong]

[Text] Various circles from Shanghai today held a ceremony at Yufuosi (Jade Buddha Temple) to mourn the death of Bainqen Erdini Qoigyi Gyaincain, vice chairman of the NPC Standing Committee.

Jiang Zemin, member of the Political Bureau of the 13th CPC Central Committee and secretary of the Shanghai Municipal CPC Committee; Zhu Rongji, alternate member of the 13th CPC Central Committee and mayor of Shanghai; Yang Di, deputy secretary of the Shanghai Municipal CPC Committee; Ye Gongqi and Sun Guizhang, respectively, chairman and vice chairman of the Standing Committee of the Shanghai Municipal People's Congress; Xie Lijuan, vice mayor of Shanghai; Mao Jingquan and Wang Xing, vice chairmen of the Shanghai Municipal CPPCC Committee; and responsible persons from the various democratic parties and mass organizations in Shanghai, as well as personages from religious circles, attended the ceremony.

As an expression of their condolences, Jiang Zemin and other leading comrades bowed three times before the portrait of the deceased Reverend Bainqen, which was decorated with flowers. The municipal party committee, People's Congress Standing Committee, government, CPPCC Committee, and the various democratic parties and religious circles sent wreaths.

Representatives of Tibetan students in Shanghai presented hadas (silk scarf traditionally regarded as a token of respect) to the portrait of the deceased Reverend Bainqen. Reverend (Zeng Chan), chairman of the Shanghai Buddhist Association, expressed his thanks to those attending the ceremony.

Before the ceremony, Jiang Zemin, Zhu Rongji, and other leading comrades of Shanghai met with the 24 representatives of Tibetan students, who are studying at Shanghai Huiming High School, at the abbot's room of Yufuosi.

Jiang Zemin said: Vice Chairman Bainqen made great contributions to the motherland and Tibet. He stated that the Tibetan students would control their grief and,

in memory of the Reverend Bainqen, continue to study hard to improve themselves so that they can also make contributions to construction in their home province.

Economist Proposes Establishing 'New Shanghai'
OW0602134889 Beijing XINHUA in English
0654 GMT 6 Feb 89

[Text] Shanghai, February 6 (XINHUA)—A leading Chinese economist has proposed the building of a "new Shanghai" because intensified economic activity is making the present city, China's leading industrial centre, more and more crowded.

Yu Guangyuan, a native of Shanghai, says he feels deeply for the city and wishes to contribute to its expansion because nine generations of his family have lived there.

Yu and a group of Shanghai experts and scholars have studied local conditions and found that a large area of land south of the city and north of the Hangzhou Gulf has good prospects for development.

It has a coastline ideal for the construction of 100 deep-water berths able to accommodate 10,000-dwt vessels and has 210 sq km of seaside land for urban construction. In addition, they conclude, the area has good communications and is linked to economic centers.

They believe that the "new Shanghai" should be an international city involved in international economic activities. It should house technology-packed and knowledge-intensive enterprises and factories processing high-grade products, and it should lead the country in technological development.

They think the new city could have a population of five million on an area of 300-400 sq km. As it faces the East China Sea, the city should be open to outside investors in its construction.

Prof. Yu says the present city of Shanghai is functioning amid many limitations and the building of a new city will help to solve the crowding once and for all.

In recent years, experts have suggested that the city be expanded in many different directions. The site for the new city that Yu and the other experts have chosen is better than any of the other places and will strengthen Shanghai as the country's leading manufacturing center.

Yu thinks that transforming or expanding the old city will not be enough to solve the existing problems arising from limited space. He says other countries prefer to build new cities to avoid the swelling of the old.

"Shanghai should become an economic center on the west coast of the Pacific Ocean and expansion will not help it to achieve that purpose," he says. A comprehensive and multi-purpose new city will help it to meet modern requirements.

The plan for a "new Shanghai" will be further refined after consultations with domestic and overseas experts. The time for its construction will come when all conditions are ripe, he said.

Zhejiang Governor Briefed on Educational Work
OW0702175989 Hangzhou Zhejiang Provincial Service
in Mandarin 1000 GMT 2 Feb 89

[Text] Shen Zulun, deputy secretary of the provincial party committee and provincial governor, and Li Debao, vice governor, held a special discussion meeting on 2 February to listen to briefings on educational work by the party and government leaders of Quzhou City, Kaihua County, Daishan County, Shaoxing County, and Tongxiang County. The briefings continued from 0830 until 2330.

While listening to the briefings, Provincial Governor Shen Zulun made detailed inquiries of the party and government leaders of cities and counties about how to enhance the awareness of the importance of education, how to make all localities truly depend on education in their efforts to develop the economy, how to be firmly determined to carry out the 9-year system of compulsory education, and how to reform the structure of education for special or technical secondary schools, so as to strengthen the educational reform, enhance quality of people, and serve economic development. In particular, he highly rated the efforts of Kaihua County in renovating rickety and dilapidated school buildings and improving their appearances throughout the county over the past couple of years. He called on all localities in the province to learn from Kaihua County.

Provincial Governor Shen Zulun pointed out: The key to developing education lies in leadership. The county magistrates and city mayors will be invited to make speeches on how they attach importance to education and how they work successfully in this field. Only when there are good examples can their speeches be convincing; and, only thus can we have a successful provincial working conference on education.

It was learned that the provincial working conference on education will be held on 1 March.

Foreign-Funded Businesses Increase in Zhejiang
OW0702211689 Beijing XINHUA in English
0929 GMT 7 Feb 89

[Text] Hangzhou, February 7 (XINHUA)—Foreign-funded enterprises in east China's Zhejiang Province now number 267, including 139 that were set up last year, according to a local official.

Thanks to various inducements offered by the provincial authorities, foreign-funded businesses have multiplied in the province in recent years.

Among the measures taken to make investment conditions more attractive have been improvements in transport, telecommunications, and water and energy supply.

The foreign investors come from, among other countries, Japan, the United States, Italy, France, Australia, the Netherlands, Federal Germany, Singapore, Canada, Brazil, Indonesia, Thailand, Sweden, Syria, Liberia and the Philippines, as well as Taiwan and Hong Kong.

Most of the foreign-funded businesses are of medium and small size. Among the 139 set up last year, 133 are productive enterprises, turning out textiles, garments, electronic products, plastics, food, medicines and agriculture products.

Central-South Region

Henan Party Secretary Calls for Clean Government
OW0802062789 Beijing Domestic Service
in Mandarin 1030 GMT 6 Feb 89

[Text] On the morning of the 1st day of the Chinese Lunar New Year, Yang Xizong, secretary of the Henan Provincial CPC Committee, and Cheng Weigao, governor of Henan, summoned some 30 responsible people from units directly under the provincial government and from organs directly under the city government of Zhengzhou City. They called on them to take the lead in doing a good job of running a clean government.

Cheng Weigao said: Units and organs directly under the provincial government and Zhengzhou City should start the New Year by placing top priority on running a clean government, raise the understanding of the party members and cadres at government organs of the fight against corrupt phenomena and of the need to run a clean government. Management should be stepped up in those areas which are prone to get corrupted. Cheng Weigao said: When launching the clean government campaign, we should ensure the thorough investigation and handling of every corrupt case exposed and reported by the masses; investigation and handling results should be made public. Particular attention should be paid to investigating and handling the following phenomena: government officials will not perform their official duties if they do not receive special favors; or even if they receive favors, they either perform their official duties perfunctorily or spoil the work they are asked to do. We should also rectify the phenomena of the arbitrary fees collection, indiscriminate levying, and exactions practised by some management departments.

Cheng Weigao called on units directly under the provincial government to use a month time to draft a long-term plan for launching a campaign for clean government.

Southwest Region

Guizhou Governor Stresses Public Security
HK0802004789 Guiyang Guizhou Provincial Service
in Mandarin 2300 GMT 7 Feb 89

[Text] According to GUIZHOU RIBAO, on the question of how to improve comprehensive social order measures in light of the current relatively rigorous situation, Wang Chaowen, provincial governor and director of the provincial leadership group for comprehensive tackling of social order problems, holds that the key lies in acting with strictness.

Wang Chaowen gave this view after a pre-Spring Festival investigation of public order on the Kaili section of the Hunan-Guizhou railroad and in Huangping and Shibing Counties.

He said that comprehensive measures to tackle public order problems on the railroad must be intensified, but this cannot be done by simply relying on the railroad departments. He proposed coordinated efforts of the local governments and the railroad departments, and of the dictatorship organs and the masses. Only thus can we nip problems in the bud on the railroads and strike effectively at criminal activities.

On social order in rural areas, Wang Chaowen said that it is now proposed that the party and government be ruled with strictness; it is also necessary to be strict in the comprehensive tackling of social order problems. In dealing with the current state of rural social order, it is necessary to give full scope to rural party organizations' role as a fighting force and to the role of rural grass-roots political power and militia organizations.

He said that in the past the rural militia organizations played an important role in production and construction. However, they have done little in recent years. We must now pay fresh attention to the building of the militia to ensure that the militia plays a deterrent role against lawless and criminal elements in rural areas.

Sichuan's Yang Rudai Discusses Rural Development
HK0702005789 Chengdu Sichuan Provincial Service
in Mandarin 2300 GMT 6 Feb 89

[Text] Provincial CPC Secretary Yang Rudai visited rural party members on the morning of 6 February and extended New Year greetings to the masses. Early in the morning, Comrade Yang Rudai went to the No 5 group of (Datian) Village of (Liuling) Township in Chengdu City's Wenjiang County to see the seven party members there and extend New Year greetings to the local masses.

After hearing how these seven party members have taken the lead in getting rich and have also led the masses to get rich together, Comrade Yang Rudai said happily: This is very good. By getting rich themselves in the course of

developing the rural commodity economy, the party members can lead the masses to shake off poverty and get rich, too. This is the proper duty of our party members.

Comrade Rudai said: Since the 3d Plenary Session of the 11th CPC Central Committee, a whole series of reforms have been carried out in the rural areas. Party members and peasant masses in rural areas participate in, and benefit from, reform. Great successes have been scored in promoting the household contracted responsibility system with payment linked to output, two-level management, the introduction of social services, the development of township and town enterprises, and the readjustment of the product mix.

He said: Although some problems and difficulties have arisen, so long as everyone acts according to the spirit of the 3d Plenary Session of the 13th CPC Central Committee and unites as one, the difficulties can be overcome.

What should our grass-roots rural party organizations do in improving the economic environment and rectifying economic order? Comrade Yang Rudai said: First, they must actively organize party members and the masses to develop rural commodity production vigorously and strive to increase effective supply to meet the people's needs. Second, they must readjust the order in circulation and in supplying agricultural production materials. Distribution must be rational and there must be no price confusion. Third, they must readjust social order so that the masses will have a sense of security and a very good social order. Fourth, they must work to improve the production conditions and improve the capacity to resist natural disasters. Attention must be paid to science and technology. Rural investment must first be used in science and technology and in infrastructure. We should convert the limited grain into still more meat.

How can township and town enterprises develop steadily amid the difficulties that have cropped up? Comrade Yang Rudai said: It is essential to continually improve the level of management, readjust the product mix, raise product quality, and boost the enterprises' competitive ability.

While in the rural areas, Yang Rudai personally wrote an inscription: In developing rural commodity economy it is essential to give scope to the core role of the grass-roots party organizations and the model and leading role of the party members, and lead the masses to get rich through hard work.

Comrade Yang Rudai was accompanied by Wu Xihai, Chengdu City CPC Committee secretary.

Tibetan Flag Raised in Lhasa; Situation 'Tense'
HK0802080089 Hong Kong AFP in English 0748 GMT
8 Feb 89

[By Patrick Lescot]

[Text] Beijing, Feb 8 (AFP)—Tibetans turned out by the dozens Tuesday to see their banned nationalist flag fly for the first time in 30 years over the Jokhang Buddhist temple in Lhasa while Chinese police stood by and watched, a Western eyewitness said.

It was the first time the pro-independence flag had flown in the Tibetan capital since the 1959 Tibetan uprising against the Chinese, which led to the formation of the Dalai Lama's government-in-exile in India.

Tibetans went to the scene "by the dozens" to watch the flag, the symbol of independence and of the government in exile, said the source.

The flag, which flew for several hours over the temple, has been banned by Chinese authorities.

Most Tibetans brought white sashes, a symbol of mourning, which they laid at the foot of the flag, said the witness, a Tibetan-speaking Westerner who was reached by telephone from here.

By late afternoon Tuesday, the base of the flagpole flying the Tibetan flag—yellow, blue and red with two snow lions in front of a sun—had been completely covered with the white sashes, the eyewitness said.

The Tibetan population has been in mourning since the January 28 death of the Panchen Lama, the second-highest spiritual leader after the Dalai Lama, who has headed Tibet's government-in-exile since 1959.

The witness said the mostly plainclothes Chinese police stood by with no reaction in contrast to similar scenes in the past when they had moved in to quash any signs of Tibetan nationalism.

Last December 10, a Tibetan monk carrying the same flag during a peaceful demonstration against the Chinese presence was shot without warning by anti-riot police during an incident which officially left one person dead but may have killed as many as 12 people, according to witnesses.

Tuesday's tolerant attitude could be explained either by a desire to avoid incidents with the population following the death of the Panchen Lama, or by the recent nomination of Hu Jintao, a moderate, as Communist Party chief in Lhasa, observers said.

A West German tourist, however, was stopped by police and his cameras and film confiscated before being let go, the eyewitness said.

Buddhist leaders recently cancelled festivities marking Tibet's major religious festival, the "Grand Summons Ceremony," giving Chinese authorities further proof of the unease in the region, the observers added.

The Lunar New Year celebration, banned for 20 years by Beijing, was allowed again in 1986, but last year turned into an anti-Chinese riot in which between five and 30 people were killed, according to various sources.

Several Tibetan monks, most of whom had boycotted the "Grand Summons Ceremony" last year in protest against the continuing Chinese occupation said they agreed with this year's decision to cancel the celebrations, the witness said.

But he said the Tibetan capital was "full of rumors of impending demonstrations," and described the situation there as "tense."

Lhasa has experienced a resurgence of bloody anti-Chinese riots for more than a year.

Next month marks the 30th anniversary of the Tibetan uprising against the Chinese presence. Some 10,000 Tibetans were killed during the 1959 revolt, which led to the creation of the government-in-exile.

The death of the Panchen Lama, a high-ranking member of the communist regime who nonetheless was held in high esteem by the Tibetans, is seen as a tough blow to Beijing, which suddenly finds itself without the support of its only major ally among Tibet's fervently Buddhist population.

The renewal of a strong sentiment for public independence in Tibet began on October 1, 1987, when between six and 12 persons were killed in anti-Chinese rioting and anti-government incidents continued off and on throughout the year despite strong measures by the Chinese authorities.

Tibet Cancels Festival Due to Fears of Violence
HK0802040389 Hong Kong HONGKONG STANDARD
in English 8 Feb 89 p 1

[By Yau Shing-mu, just returned from Tibet]

[Text] Opposition from lamas has led to cancellation of Tibet's principal religious festival, apparently against Beijing's wishes.

The Monlam Festival, or Great Prayer Ceremony—the scene of protests and killings last year—will be marked only in individual monasteries, with no public processions.

The lamas' stand is believed to stem in part from fear of further violence and in part from a desire to stage a boycott in protest against the earlier violence.

The decision was made by Tibet's highest Buddhist authorities on January 28, the day the death of the Panchen Lama was made public.

Announcing the decision, CHINA NEWS SERVICE said: "After careful deliberation by Buddhist associations and the management committee of monasteries and in accordance with the majority view of the lamas, it is resolved that there will be no Monlam Festival in Lhasa this year."

On the last day of the festival last year, violent pro-independence demonstrations broke out. Police opened fire and at least five people were killed.

Suppression of a similar demonstration last October left at least one lama dead.

The All China Buddhist Association's Tibet Branch, the Lhasa Buddhist Association and the management committees of the Jokhang Central Temple and the three great monasteries—Sera, Ganden and Drepung—resolved that this year the monasteries and temples could perform their own rites "according to their own situations".

Before the decision was announced, a number of monks in Lhasa told me they would not take part in the festival because of the police shootings and killings last year.

Asked for a reason, they put their hands, together as if holding a rifle and said, "Bang. Bang. Bang."

Then they put their hands to their eyes and bowed down as though dead themselves.

Many monks and Tibetans, who are sympathetic with the pro-independence movement, were horrified by the past shootings and believe the festival could provide the police with an opportunity for further suppression.

The Monlam celebrates the Lord Buddha's victory over malicious spirits who tempted him during his meditations.

It was suspended throughout the Cultural Revolution and resumed only in 1986, after Beijing relaxed its stand on religious observance in Tibet.

It was due to start towards the end of this week, on the third or fourth day of the Tibetan New Year.

It usually lasts two to three weeks and is the greatest annual religious event of Buddhist Tibet.

During the festival, scholar-monks are examined and those who pass are honoured with the title of *gexii*—similar to a Doctor of Divinity in the West.

CHINA NEWS SERVICE said that before the decision to cancel the event, the chairman of the Tibet Autonomous Regional People's Government, Mr Dorje Tsering, had given an assurance that government policy in support of the festival would not be changed. But he said it was up to the Buddhist associations and the monasteries to decide.

He also said the government would protect the people's freedom of religion and belief and would help support and sponsor major religious events, such as the Monlam.

This apparently indicated the government's intention to see the festival go ahead.

Whatever the government's attitude may have been, it has been relieved of a problem—keeping order while thousands of monks and lamas flock into the Jokhang Temple.

Tibet's Hu Jintao Visits Religious Figures
HK0802010989 Lhasa Tibet Regional Service
in Mandarin 1130 GMT 7 Feb 89

[Excerpts] On 7 February, the 1st day of the Tibetan New Year, regional party, government, and army leaders including Hu Jintao, Basang, Ma Lisheng, Puquin, and Zhang Shaosong, paid new year courtesy calls on upper-strata patriotic religious figures including Pagbalha Geleg Namgya. [passage omitted]

Hu Jintao said: This is the first time I have celebrated a Tibetan New Year, which has a distinctive local flavor. Mr Pagbalha is a loyal old friend of our party. I hope that you will show more concern and support for the regional party committee and government in the New Year and help us to do our work well. [passage omitted]

At the home of (Chemolin), Hu Jintao said: Since there is to be no Great Summons this year, please arrange some other Buddhist ceremonies to satisfy the masses' religious belief requirements as far as possible. (Chemolin) nodded. [passage omitted]

Tibetans Continue To Mourn Panchen Lama's Death
OW0702203889 Beijing XINHUA in English
1256 GMT 7 Feb 89

[Text] Xigaze, February 7 (XINHUA)—The Zhaxi Lhunbo Lamasery today issued prayers jointly written by Jamyang, a living Buddha and Panchen [Bainqen] Erdini's canon teacher, and Panchen's parents.

It provided vegetarian meals to lamas and asked them to eulogize the virtues of the Panchen Lama during his lifetime and pray for his early incarnation.

The prayers spoke highly of the Panchen Lama's devotion to the country and Buddhism and his contribution to the unity of the country.

Today is the traditional Tibetan New Year of the Snake. However, as mourning prevailed, there is no festival atmosphere here.

People either went to the Zhaxi Lhunbo Lamasery and Deqen Pozhang, the Panchen Lama's residence, or stayed at home chanting and praying for the Panchen Lama.

Tibet's Secretary Hu Jintao Visits Power Plant
HK0702065389 Lhasa Tibet Regional Service
in Mandarin 1130 GMT 6 Feb 89

[Excerpts] On 6 February Hu Jintao, regional CPC secretary; Zhang Shaosong, Tibet Military District political commissar; and Ma Lisheng, regional government

vice chairman went up to (Yangbajing), which lies 4,300 meters above sea-level, to visit the cadres and workers of the Tibet Geothermal Exploitation Company who are carrying on work during the Spring Festival.

Last year the (Yangbajing) geothermal power plant supplied some 43 million kilowatt hours of power to the Lhasa area, playing a conspicuous role in providing power for production and daily life. To ensure power supply for the people of Lhasa during the festival, the 550 cadres and workers of the power station abandoned their holiday to carry on with production and fulfill their task of supplying the Lhasa area with over 40 percent of its power. [passage omitted]

Hu Jintao pointed out that power shortages constrain the development of Tibet's economy. We must give prominence to exploiting and using geothermal power resources. Tibet has no coal and its hydroelectricity [words indistinct]. Without geothermal power, it would be very hard to get by, especially in the winter. This year we should strive to install the two 3,000 kilowatt generators called for in stage 3 of the (Yangbajing) project and have them in operation next year.

Hu Jintao said that integrating hydroelectricity and geothermal power is an effective method. We must overcome difficulties, sum up experiences, strengthen management, step up technical training, and continually strive for development in the course of exploration.

North Region

Tibetans in Beijing Quietly Welcome New Year
OW0702233089 Beijing XINHUA in English
1301 GMT 7 Feb 89

[Text] Beijing, February 7 (XINHUA)—Tibetan residents here today welcome their Lunar New Year without any celebrations.

However, they have five days off during the festival—one day longer than the Han and other nationalities because the Tibetan Lunar New Year starts today.

A mourning hall for former religious leader Panchen Lama still remains in the office building of the Tibet Autonomous Regional Government in Beijing, where Chinese ranking officials and foreign visitors paid their last tribute to the 10th Panchen Lama in the last few days.

Tonight, China Central Television station broadcast a 20-minute documentary on the late religious leader's activities in Tibet. The nationwide broadcast network also aired the panchen lama's last speech in Tibet on January 17.

In his speech at the opening ceremony of a newly-rebuilt Great Stupa at Zhaxi Lhunbo Lamasery, the late panchen lama called on the Tibetan people and lamas to carry forward the spirit of former Panchen Lamas to enlarge Buddhist doctrine religiously and endorse patriotism politically.

Lhasa Buddhist Association and monasteries there have decided that the religious festival mionlam qenmo, or the grand summons ceremony, will not be held in Lhasa this year in mourning for the late religious leader.

Inner Mongolia's Wang Qun at Festival Gathering
SK0702123589 Hohhot Inner Mongolia Regional Service in Mandarin 1130 GMT 5 Feb 89

[Excerpts] On the morning of 5 February the autonomous regional party committee and people's government sponsored a Spring Festival gathering. Leading comrades of regional-level organs, including Wang Qun, Bu He, Zhang Dinghua, Qian Fenyong, and Batu Bagen, and responsible comrades from various departments, commissions, offices, and bureaus under regional-level organs, happily got together to mark the Spring Festival. [passage omitted]

During the gathering Wang Qun, secretary of the autonomous regional party committee, delivered a speech amid warm applause to extend festive greetings to the participating comrades on behalf of the autonomous regional party committee, Advisory Commission, Discipline Inspection Commission, People's Congress, people's government, military district, and CPPCC Committee and wished them and their families a happy Spring Festival and health.

In his speech, he stated: During the past year we have scored great achievements in work along with the solid foundation thanks to the effort made by the entire party. This is the major outcome scored by cadres and masses of various nationalities throughout the region and by participating comrades making concerted efforts and waging an arduous struggle. Thus, I again express appreciation and respect to you.

In his speech Comrade Wang Qun stated: The New Year is a crucial period for improving the environment, rectifying order, and deepening the reform drive. Under the guidance of the line of the 13th CPC Congress and the spirit of the 3d Plenary Session of the 13th CPC Central Committee, we should uphold the principle of uniting as one, carrying out construction, conducting reform, and opening to the outside world; enhance our confidence in overcoming difficulties; and unite as one in waging common struggle to gain even greater achievements.

During the gathering Bu He, deputy secretary of the autonomous regional party committee and chairman of the regional people's government, also delivered a

speech in which he thanked the participating comrades for their support offered to the government work over the past year. [passage omitted]

Also attending the gathering were leading comrades from the regional party, government, and army organs and the regional CPPCC Committee, including Xu Lingren, Zhou Rongchang, Ma Zhenduo, Wen Jing, Liu Yunshan, Yang Enbo, Hao Xiushan, Lin Weiran, Shen Xinfu, Chen Bingyu, He Yao, Butegeqi, (Zhang Huangong), Seyinba-yaer, Bai Junqing, Liu Zhenyi, Sha Tuo, Liu Zuohui, Alatanagier, Zhao Zhihong, Li Guibin, Fang Chenghai, Shi Zhigao, Ha Si, Shi Shengrong, Wu Ligeng, Li Shuyuan, Baoyan Batu, Yun Zhaoguang, Wang Chongren, (Hu Ke), Chen Jie, Lan Qianfu, Yun Shufen, and Wu Lan.

Among those who were invited to the gathering were Yang Dalai, president of the regional Higher People's Court; Zhang Hesong, chief procurator of the regional People's Procuratorate; Ting Mao, member of the Central Advisory Commission; Kong Fei, member of the National CPPCC Committee; and veteran comrades including Wang Duo who had worked for a long time in the region.

Inner Mongolia's Wang Qun Visits Workers
SK0702112789 Hohhot Inner Mongolia Regional Service in Mandarin 1130 GMT 5 Feb 89

[Excerpts] On the morning of 5 February leading comrades of regional party and government organs were full of zest when visiting some enterprises and establishments in Hohhot City to extend festive greetings to the cadres, staff members, and workers who were working on the holidays.

At 1000 that day leading comrades, including Wang Qun, Qian Fenyong, Batubagen, Liu Yunshan, and Liu Zuohui, went by microbus to the Hohhot City Telecommunications Bureau, the city Power Supply Bureau's transformer station, the city power plant, and the regional Power Supply Bureau's control room. The comrades extended festive greetings by shaking hands with the cadres and workers who were working on the forefront of production and asked them to relay the greetings to their families. Wherever they went, these leading comrades, including Wang Qun, went deep into workshops or work teams to inquire about their working and living conditions and to hold cordial talks.

During his visit to the city Power Supply Bureau's transformation station Comrade Wang Qun heard a report given by the station's responsible personnel which requested that the leading comrades be at ease because the station had prepared well for the festive services and ensured the power supply for residents. Comrade Wang Qun happily stated: I appreciate your holiday attendance and you have really worked hard.

During his visit to the city power plant, after hearing the words given by the plant's responsible personnel with regard to dealing with the problem of conducting the centralized heating supply, Comrade Wang Qun was very interested in the issue and stated: The work of conducting the centralized heating supply is very good and it will be all right for you to encounter difficulties in this regard because the city and regional power administration bureaus can jointly raise funds for overcoming these difficulties.

On the morning of 5 February leading comrades, including Bu He, Zhang Dinghua, Wen Jing, Alatan Aogier, and Zhao Zhihong, came to the Inner Mongolian Hospital to extend festive greetings to medical personnel. [passage omitted] Then, they also paid a visit to the NEIMENGGU RIBAO office, the regional radio station, and the regional television station to extend festive greetings to the journalists and broadcasting technical personnel who were attentively working on the holiday. [passage omitted]

Northeast Region

Heilongjiang's Sun Visits Workers, PLA Units

SK0702095389 Harbin Heilongjiang Provincial
Service in Mandarin 1000 GMT 5 Feb 89

[Excerpts] On the morning of 5 February, the leading personnel of the provincial party committee and the provincial people's government visited plants, public security units, and PLA units across the city of Harbin to extend festive greetings to workers, cadres, police officers and fighters, and PLA commanders and fighters who were working on the holiday.

At 0900 that day, Sun Weiben, secretary of the provincial party committee, and Chen Yunlin and Dai Moan, vice governors of the province, came to the headquarters of the combined arms Army stationed in the province to extend festive greetings to all cadres and fighters in the Army and express appreciation for their contributions to the province's construction program. [passage omitted] During his visit to the signal operations room of the Army, leading comrades including Sun Weiben extended festive greetings over the long-distance telephone lines to the cadres and fighters who were working on the border posts.

On the morning of 5 February, leading comrades, including Shao Qihui, deputy secretary of the provincial party committee and acting governor of the province; Xie Yong; Ma Guoliang; and An Zhendong, came to the Harbin City Telecommunications Bureau, the provincial power industry bureau, and the city railway bureau to extend festive greetings to staff members and workers who were working on the holiday. [passage omitted]

Zhou Wenhua, deputy secretary of the provincial party committee; Li Genshen, member of the provincial party Standing Committee and secretary of the Harbin City party committee; and Vice Governor Du Xianzhong

came to the PLA unit guarding the Dongjiang bridge to extend festive greetings to the unit's cadres and fighters. They also visited the fire fighting brigade in Nangang District of Harbin City and the district public security subbureau to extend festive greetings to the cadres and fighters who were working on the holiday. [passage omitted]

Wang Haiyan, deputy secretary of the provincial party committee; Ma Chunwa, member of provincial party Standing Committee and political commissar of the provincial military district; Qi Guiyuan, member of the provincial party Standing Committee and director of the provincial Propaganda Department; and Vice Governor Huang Feng visited the office of HEILONGJIANG RIBAO to extend festive greetings to editorial personnel and printing workers who were working on the holiday. Then they visited the provincial radio and television broadcast stations and the provincial hospitals for the same purpose. [passage omitted]

Heilongjiang's Sun Weiben at Festival Gathering

SK0702101489 Harbin Heilongjiang Provincial
Service in Mandarin 2200 GMT 6 Feb 89

[Text] The Heilongjiang Provincial CPC Committee and the provincial people's government sponsored the 1989 group meeting at the Beifang Building on 6 February to exchange Spring Festival greetings. The meeting that morning was filled with an atmosphere of unity and joy.

Attending the group meeting were members of the Central Advisory Commission who are currently in Harbin City; members of the NPC Standing Committee; members of the National CPPCC Standing Committee; members of the provincial party committee, the provincial Advisory Commission, and the provincial Discipline Inspection Commission; members of the provincial People's Congress Standing Committee and the provincial CPPCC Standing Committee; vice governors of the provincial people's government; leading personnel from the provincial military district, PLA units stationed in the province, and various democratic parties; and some retired veteran cadres. Also attending were principal responsible comrades from the provincial Higher People's Court; the provincial People's Procuratorate; provincial-level departments, commissions, offices, and bureaus; institutions of higher education in the city of Harbin; the managerial cadre college; the city of Harbin; and Songhuajiang Prefecture, as well as personages from various fronts and social circles and representatives of Overseas Chinese and compatriots in Hong Kong, Macao, and Taiwan.

Some 1,300 persons attended the meeting, including Sun Weiben, Shao Qihui, Wang Zhao, Wang Luming, Zhou Wenhua, Wang Haiyan, Li Genshen, Chen Lei, Li Jianbai, Zhao Dezun, Chen Jianfei, Hou Jie, Chen Yunlin, Ma Chunwa, Qi Guiyuan, Ma Guoliang, Xie Yong, Zhang Xiangling, Wang Jun, He Shoulun, Zhang Ruoxian, Wang

Yusheng, Ji Hua, Du Dianwu, An Zhendong, Du Xianzhong, Huang Feng, Dai Moan, Zhang Li, Wang Fei, Liu Huixian, Tang Liandi, Guo Shouchang, (Lin Wu), Huang Dexin, Fu Shiyong, Shao Zhao, He Daoquan, Dong Yisheng, (Zhang Jianying), and (Han Xichang).

Acting provincial Governor Shao Qihui presided over the group meeting at which Sun Weiben, secretary of the provincial party committee, delivered a speech extending festive greetings to the participants on behalf of the provincial party committee and the provincial people's government.

In his speech he stated: In the new year, we will not only encounter various vigorous opportunities brought about by the drive to conduct reform and to open up to the outside world in social, economic, and political life, but will also face many contradictions and difficulties that we have never encountered under the old system of the product economy. Therefore, we should develop the socialist commodity economy and productive forces on the one hand and grasp the work in political and ideological fields on the other hand.

Efforts should be made to carry out extensive education on the current situation and tasks. We should launch a drive among leading cadres at all levels to study and discuss the experience gained in conducting reforms over the past 10 years.

Efforts should be made to unify thinking and to enhance the confidence in work so as to push forward the drive to conduct reform. In conducting reform and construction, we should emphatically do a good job in improving the environment and rectifying order.

Efforts should be made to adopt powerful measures to curtail inflation and price hikes in order to stabilize the economy, markets, and public feeling. We should continuously readjust the economic structure, curtail projects that deserve to be curtailed and protect those which deserve to be protected in the course of improving the environment and rectifying order, and enforce the inclined policy [qing xie zheng ce 0282 2438 2398 4595]. In optimizing the province's production structure, we should concentrate on protecting agriculture and education and accelerating the pace of integrating science and technology with production to ensure the steady and stable development of the economy.

Efforts should be made to wage a struggle against corruption, to keep party and government organs honest in performing official duties, and to enhance party building. In enforcing the important principles and policies, we should ensure ideological unification throughout the entire party, uphold the principle of strictly enforcing unified disciplines, overcome the lack of unity, and strengthen the inner cohesive force of the party and the party's attractive force among the people.

Efforts should be made to uphold the principle of dealing strict blows to crime, to do a good job in consolidating public security in a comprehensive way, and to deal resolute blows at criminals or economic crimes without being softhearted and slack in work. Meanwhile, we should deal properly with the contradictions among the people and enhance the measure of guiding or encouraging the people to strive for a political situation of stability and unity in society.

All of this work should be carefully arranged and successfully and vigorously grasped so as to enable the province's various undertakings to achieve new progress in the new year.

He Zhukang Addresses Jilin Spring Festival Forum
SK0702082289 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 2 Feb 89

[Excerpts] On the afternoon of 2 February, the meeting room of the provincial CPPCC Standing Committee was an enchanting scene of spring and was filled with a joyful atmosphere. More than 100 representatives of various democratic parties, the Industry and Commerce Federation, and nonparty patriotic personages, as well as retired veteran comrades and leading comrades from provincial party and government organs, happily got together to relive their friendship and exchange festive greetings.

The forum on the occasion of Spring Festival was jointly sponsored by the provincial CPPCC Committee and the United Front Work Department under the provincial party committee. Liu Yunzhao, chairman of the provincial CPPCC Committee, presided over the forum.

He Zhukang, secretary of the provincial party committee, attended the forum and delivered an enthusiastic and congratulatory speech in which he first extended festive greetings on behalf of the provincial party committee and the provincial people's government to the participants from various democratic parties and nonparty patriotic personages and CPPCC Committee members, and to the people of various nationalities across the province.

In his speech, Comrade He Zhukang, after briefly introducing the various aspects of work done by the province in reform and construction in the past year, stated: It will be hard for us to avoid encountering twists and turns in paving a smooth road in the journey of reforms. However, in conducting reform, our will should not be shaken despite these twists and turns; it can only advance along the road and refrain from retreat. Only by going ahead with the confidence and will of overcoming various difficulties and implementing the correct political direction will we be certainly able to fulfill the targets fixed by the 13th CPC Congress.

In his speech, Comrade He Zhukang stated: We face very arduous tasks in the new year. We must comprehensively and unswervingly implement the principle set forth by the 3d Plenary Session of the 13th CPC Central Committee with regard to improving the environment, rectifying order, and deepening the reform drive in an overall way. Efforts should be made to readjust the economic structure, to launch an extensive and deep campaign to increase production and practice economy as well as to increase incomes and curtail expenses, to further develop the socialist commodity economy, to earnestly and firmly grasp educational undertakings, and to promote integration between production and science and technology.

In his speech, Comrade He Zhukang stressed: The CPC and various democratic parties are partners that share a common fate and have gone through thick and thin together. Our past achievements cannot be separated from the cooperation and support of various democratic parties. We should continue to carry forward the tradition of treating each other with all sincerity and sharing weal and woe and unite as one in mutually shouldering the heavy burden. We are convinced that by making unanimous efforts and relying on the common struggle launched by the people throughout the province, the party and other social circles certainly will be able to fulfill the target of improving the economic environment, rectifying economic order, and deepening the reform drive in an overall way.

During the forum, provincial Acting Governor Wang Zhongyu delivered a report on the work in 1988 and the tasks in 1989. In his report, he stated: The general guiding principle of the province's work in 1989 is to continue to implement the spirit of the 3d Plenary Session of the 13th CPC Central Committee; to take as a focal point the task of improving the environment and rectifying order; to regard as a center the tasks of optimizing the economic structure and increasing economic results; to deepen the reform drive in an overall way; to arrange well for the national economy, social undertakings, and the people's livelihood; to maintain the social environment of stability and unity; and to promote the economic construction and various undertakings to achieve stable, harmonious, and healthy development. [passage omitted]

Among those who were invited to the forum were responsible persons from the provincial-level democratic parties, the provincial Industry and Commerce Federation, the provincial Taiwan Compatriots Federation, and the provincial returned Overseas Chinese Federation. [passage omitted]

Attending the Spring Festival forum were leading comrades from the provincial party committee, the provincial Advisory Commission, the provincial People's Congress, the provincial people's government, the provincial CPPCC Committee, and the provincial Discipline Inspection Commission, including He Zhukang, Zhang Fenqi, Huo

Mingguang, Wang Zhongyu, Liu Yunzhao, Du Qinglin, Gu Changchun, Xiao Chun, Li Deming, Chen Hong, Feng Yingkui, Zhang Liming, Cheng Shengsan, Cui Lin, Yu Ruihuang, Xu Yuancun, Chen Zhenkang, Ke Muyun, Liu Xilin, Gao Wen, Hui Liangyu, Gao Yan, Feng Ximing, Zhang Dexin, Guan Mengjue, Geng Yuelun, Luo Yuejia, Jin Minghan, and Cai Qiyun.

Also attending the forum were veteran comrades who have retired from provincial-level organs, including Wang Daren, Li Diping, Yu Lin, Yu Ke, Zhang Shiyong, Song Jiehan, Liu Jingzhi, Zhang Kaijing, Song Renyuan, Zhao Tianye, Liu Cikai, Li Shuren, Yang Zhantao, Wu Duo, Wang Jiren, Wang Guanchao, Xin Cheng, and Yue Lin.

Jilin's He Zhukang Visits Workers on Festival
SK0702090089 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 5 Feb 89

[Excerpts] On the morning of 5 February, leading comrades of provincial and Changchun City party and government organs visited workers and cadres who were working on the holiday to extend festive greetings to them and to relay the sincere regards offered by the people throughout the province.

During their visit to the waiting room of No 302 trolley station under the Changchun City General Public Traffic Corporation, He Zhukang, secretary of the provincial party committee; Wu Yixia, member of the Standing Committee of the provincial party committee and secretary of the Changchun City party committee; and Ren Junjie, secretary general of the provincial party committee, tightly held the hands of trolley workers, including (Wu Guihua), who just returned from work, to inquire about their working conditions.

Comrade He Zhukang stated: You are still on duty while personnel on other fronts have reunited with their family members for Spring Festival. Therefore, I came here on behalf of the provincial party committee, the provincial people's government, the Changchun City party committee, the city people's government, and the vast number of people to extend festive greetings to you. Your job is very toilsome but very glorious. Therefore, your labor deserves to be praised by all of society.

Comrade He Zhukang also asked the trolley drivers and workers about their festive preparations, the distance between their work places and homes, their working conditions, and whether they can enjoy festive food during the performance of their duties. Comrade He Zhukang also carefully learned about the corporation's social benefits, economic results, reform in enforcing responsibility systems, and trolley conditions.

He enthusiastically encouraged the broad masses of working personnel and technicians to make persistent efforts to continuously do a good job in conducting reform and enforcing contract systems, to implement the

responsibility system, to successfully civilize trolley operation, and to upgrade service quality so as to have the best impression on society.

Leading comrades, including He Zhukang, also went to the Jilin Provincial People's Hospital, the Changchun City fire fighter force, the city armed police force, and the city public security bureau to extend festive greetings to medical personnel and armed police fighters who were working on the holiday. [passage omitted]

On the morning of 5 February, Du Qinglin and Gu Changchun, deputy secretaries of the provincial party committee, and provincial Vice Governors Liu Xilin, Gao Wen, Hui Liangyu, and Gao Yan each visited grass-roots-level units on various fronts to extend festive greetings to staff members and workers who were working on the holiday.

Jilin Meeting Views Economic, Political Situation
SK0702014889 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 1 Feb 89

[Text] On 29 January, the Standing Committee of the provincial party Committee held a meeting to conscientiously and comprehensively analyze the current provincial political and economic situation and to arrange for the future work. The basic tasks of our work are: Conscientiously implementing the line of the 13th party congress and the guiding principle of the 3d Plenary Session of the 13th CPC Central Committee; giving prominence to the work of improving the economic environment, rectifying the economic order, carrying out reform, readjusting economic structure, increasing production, practicing economy, increasing revenues, and cutting expenditures; strengthening our confidence, the authority of the party and the government, and the unity among all people; and stabilizing the economy, the society, and popular sentiment.

The meeting maintained: Generally speaking, the current provincial political and economic situation is good. In conducting the work, we have adopted effective measures to control price hikes, with the focus on improving the economic environment and rectifying the economic order, and have obtained obvious results. The campaign of increasing production and practicing economy and increasing revenues and cutting expenditures has spread initially. The province has also begun readjusting economic structure in the course of improving the economic environment and rectifying the economic order. Despite the serious shortages of funds, power, raw materials, transport facilities, and foreign exchange, cadres and the masses of various localities, departments, and units have done a great deal of effective work for preparing for the production of the whole year, for the industrial and agricultural production at the beginning of this year, and for making arrangements for market supply and the people's livelihood, thus ensuring the normal operation of social production and the people's

livelihood. The provincial education drive on the current situation and tasks has been conducted in a steady manner, thus solving some misgivings among cadres and the masses and stabilizing their ideology.

While affirming the good situation and being cognizant of favorable factors, the meeting also fully analyzed current problems and difficulties. To unfailingly grasp economic work and make good arrangements for industrial and agricultural production, we should, at present, pay attention to solving the problems with regard to the difficulty in selling hogs, the transfer and transportation of corn, the monopolization of means of agricultural production, and trade with the Soviet Union. We should further perfect and develop the contract system and solve the problem of unfair distribution. We should rapidly investigate and study ways to exploit the backbone, leading, and radial role of large enterprises. We should sum up experiences and give positive guidance to enterprises in order to promote the province's economic development. We should also pay attention to improving and consolidating the quality of labor forces. We should organize government cadres to deeply study the decision of the Secretariat of the party Central Committee on maintaining high standards of ethical and professional integrity among the party and state organs, and to perform their official duties in an honest manner. We should establish and perfect the supervision system. We should strengthen the investigation and handling of cases involving corruption and dishonesty among leading cadres, the units for managing money and property, and law enforcement departments at all levels. We should uphold the principle of strictly administering the party and profoundly conduct the activity of propagating the party [words indistinct] and acting as a qualified party member. We should earnestly investigate the current situation of party members and conduct education in order to improve their quality. We should pay attention to understanding various ideological trends, and earnestly conduct education on the current situation. We should strengthen educational work, and further combine science and technology with economic construction. All localities and departments should strive to increase investment in educational undertakings, should adopt feasible measures to solve practical problems and difficulties existing in educational undertakings, and should try their best to create a good working and living environment for intellectuals. We should also make good arrangements for the people's livelihood and production and attend to market supply.

The meeting also made arrangements for improving public security by combining the comprehensive administration over public security problems with the concentrated efforts to deal blows to crimes, for maintaining and developing a stable and united situation, for conducting investigation and study, for strengthening the building of democratic politics, and for some activities to be conducted in the near future. The meeting stressed: To achieve success in the current work, the key lies in the endeavor to unify our thinking, work in unity, and

enhance our spirit. For this, we must grasp party building, with the focus on successfully building party organizations, improving the expertise of party members, and giving full play to the leading role of the party, the fighting role of party organizations, and the vanguard and exemplary role of party members. Leaders at all levels should be more prudent in making policy decisions, more resolute in implementing the guidelines of the central authorities, and more diligent in doing their work. From now on, leaders at all levels should strive to do their work in an earlier, rapid, and practical manner; should advocate the spirit of dealing with concrete matters and bravely assuming responsibility; and should strictly avoid boasting, exaggeration, and paying lip service. They should strictly control the convocation of various celebration meetings, commemoration meetings, and commendatory meetings, and should concentrate their energy on solving practical problems for the masses. They should carry forward the work style of arduous struggle; be honest in performing their official duties; strictly enforce discipline, directives, and prohibitions; give consideration to the overall situation; and ensure the smooth progress of the improvement of the economic environment, the rectification of the economic order, the reform, and the opening up, under the unified leadership of the central authorities.

Liaoning Holds Meeting on Government Work
SK0702075289 Shenyang LIAONING RIBAO
in Chinese 18 Jan 89 p 1

[Text] Efforts should be made to further analyze the current situation; to straighten out the train of thought; to further heighten spirit; to overcome difficulties; to implement the tasks set for 1989 in a down-to-earth manner; and to continuously push forward the province's programs of improving the environment, rectifying order, and conducting reform and construction. This was the central topic discussed at the (enlarged) plenary session of the provincial people's government on 17 January.

During the session, provincial Vice Governor Zhu Jiazhen first delivered a speech in which he emphatically made the following four remarks: 1) Efforts should be made to correctly analyze the current economic situation and to fully discern the difficulties and problems that exist. 2) Efforts should be made to unify thinking, to heighten spirit, and to withstand the test that has cropped up amid difficulties. 3) By seizing the opportunity to improve the environment and rectify order, efforts should be made to concentrate on doing a good job in fulfilling the tasks of stabilizing the situation, curtailing construction projects, readjusting the economic structure, conducting reform, opening up to the outside world, launching the campaign to increase production and practice economy as well as to increase incomes and curtail expenses, and popularizing science and technology. 4) Efforts should be made to enhance the building of governmental organs and to strive to fulfill the tasks this year. Also delivering speeches at the

plenary session were responsible persons from the provincial machine-building commission, the provincial light industrial department, the provincial agricultural and animal husbandry department, and the provincial statistics bureau.

Some 110 persons attended the session, including Li Changchun, Zhu Jiazhen, Chen Suzhi, Lin Sheng, Xiao Zuofu, Zhao Qi, Wang Jiyan, Zheng Silin, and Cui Yukun; staff members of the provincial people's government; and representatives of relevant units and personnel who were invited to the session as observers.

Northwest Region

Gansu Leaders Attend Spring Festival Function
HK0502065989 Lanzhou Gansu Provincial Service
in Mandarin 0000 GMT 5 Feb 89

[Excerpts] Yesterday morning leaders of the Lanzhou Military Region and of the party, government, and army in Gansu held a grand spring festival gathering in the Ningwozhuang Hall in Lanzhou. [passage omitted]

Governor Jia Zhijie presided at the gathering. Gansu Provincial CPC Committee Secretary Li Ziqi and Lanzhou Military Region Commander Zhao Xianshun made speeches. [passage omitted]

Present at the function were Xu Feiqing, Ge Shiyang, Li Dengying, Huang Bingxiang, Dong Zhanlin, Xing Shizhong, (Liu Xinzeng), Lu Kejian, Yan Haiwang, Wang Jintang, Wang Zhanchang, Zhou Yuechi, Liu Yuhuan, Zhang Wule, and other provincial party, government, and army leaders. [passage omitted]

Ningxia Marks Steady Economic Growth in 1988
OW0702210589 Beijing XINHUA in English
0816 GMT 7 Feb 89

[Text] Yinchuan, February 7 (XINHUA)—The Ningxia Hui Autonomous Region, China's Muslim community, achieved steady economic growth in 1988, according to statistics reaching here today.

Gross industrial and agricultural output reached 4.53 billion yuan (1.2 billion U.S. dollars), up 15.6 percent on 1987. National income amounted to 3.1 billion yuan, up 9 percent, and financial revenue totalled 460 million yuan, up 13.3 percent.

A government official said the size of the region's economy is insignificant when compared with the economies of the more developed coastal areas. But in view of the underdeveloped conditions, it was obvious that the people in the region had worked hard to achieve this success.

Despite a serious dry spell, the region harvested more than 1.6 million tons of grain last year, up 18.6 percent on the previous year, as well as achieving all-round growth in

forestry, animal husbandry and fisheries. The local authorities are able to ensure an abundant supply of farm produce to the urban and rural markets, the official said.

The region has a weak industrial foundation but it has rich energy resources. So it concentrated on developing the power industry last year and on industries that involve high energy consumption.

During the year, the region exported 80 million U.S. dollars worth of products, or 41 percent more than the previous year, while its imports reached 16.8 million U.S. dollars, 14.7 percent more.

Local people increased their income in the year, with urban residents pushing it up 14.3 percent and rural peasants 24 percent.

To achieve better growth this year, the regional government is working to overcome a shortage of funds, raw materials and transport facilities and to check price rises.

Qinghai Leaders Visit Spring Festival Workers
HK0702002589 Xining Qinghai Provincial Service in Mandarin 2300 6 Feb 89

[Excerpt] Snow covered the land on 6 February. Comrades Yin Kesheng, Ma Wanli, Song Ruixiang, (Sang Juejia), Tian Chengping, Liu Feng, Tang Zhengren, Bian Yaowu, Hou Shaoqing, Lu Shengdao, Bainma Dangzin, Wu Chengzhi, and Ma Yuanbiao, leaders of the party and government in Qinghai, braved the snowstorm to visit Xining factories, transport units, public security units, Armed Police, and public health units to extend Spring Festival greetings to comrades working through the festival. [passage omitted]

Xinjiang Leaders Attend Spring Festival Party
HK0602012589 Urumqi Xinjiang Regional Service in Mandarin 1230 GMT 5 Feb 89

[Excerpts] The regional Advisory Commission held a Spring Festival tea party today attended by over 60 new and old members of the commission. [passage omitted]

Wang Enmao, chairman of the commission, spoke at the gathering. He said: The veteran comrades have abundant work experience. They should show more concern and care for the new regional leadership, put forward good suggestions to them, and play a good assistant and staff officer role.

Regional CPC Secretary Song Hanliang also spoke. He said: Last year many Advisory Commission members put forward many good ideas on our work, with the result that we took fewer detours, made fewer mistakes, and achieved new progress in work. This year I want to establish a system for regularly listening to the views of the veteran comrades. In this way we can become wiser and handle problems better.

Regional government Chairman Tomur Dawamat reported on the focal points in this year's work and the ideas of the regional party committee and government. In conclusion he wished the veteran comrades a happy spring festival and good health.

Xinjiang Leaders Attend New Year Gathering
HK0702055789 Urumqi Xinjiang Regional Service in Mandarin 1230 GMT 6 Feb 89

[Excerpt] The regional party committee and government held a grand gathering this morning to celebrate the Spring Festival. Present at the function were Wang Enmao, vice chairman of the CPPCC and chairman of the regional Advisory Commission; and responsible comrades of the regional party committee, Advisory Commission, Discipline Inspection Commission, People's Congress, government, CPPCC, military district, and the production and construction corps including Song Hanliang, Tomur Dawamat, Janabil, Li Shoushan, Amudung Niyaz, Zhang Sixue, Shi Geng, Ba Dai, Gao Huanchang, Tang Guangcai, Liu Shuangquan, and Guo Gang. [passage omitted]

Commentator Criticizes Taiwan's Trade Law
OW0702131689 Beijing in Mandarin to Taiwan
1500 GMT 3 Feb 89

[Station Commentator's article: "It Is Unreasonable and Contrary to the Theory of Law To Resort to Criminal Law To Prohibit Trade With the Mainland"]

[Text] Taiwan's Ministry of Justice held a meeting recently to deliberate on a special law governing trade between the two sides of the Taiwan Strait. It was learned that a preliminary law has been formulated, namely, those Taiwan people who are engaged in simple profit-making business activities and direct trade are liable to court a maximum sentence of 3 years' fixed-term imprisonment, criminal detention, or fines.

This law, fundamentally speaking, imposes restrictions on people's rights. It is unreasonable and contrary to the theory of law to punish those Taiwan people who trade with the mainland. It goes without saying that people have the right to conduct simple business activities for profit with anyone in any place. It is also clearly defined by Taiwan's Constitution. After martial law was lifted and after the restrictions on people's travel to the mainland for the purpose of visiting their relatives were eased, Taiwan's High Court changed the verdicts for a number of so-called giving-financial-support-to-communist bandits cases to "not guilty" one after another, and gave explicit instructions to law courts at all levels to the effect that any direct business discussion with mainland administrative bodies that import or export general merchandise for profit does not constitute the crime of giving financial support to communist bandits as referred to in the Regulations Governing Punishment for Treason and Rebellion. Taiwan people gave general support and approval to this decision. Is it not a retrogression that the department concerned should formulate a law now to punish those who do business with the mainland?

The Taiwan authorities, on the one hand, adhere to the policy of three no's and restrict the Taiwan people from conducting economic and trade contacts with the mainland; while, on the other hand, they have no other choice

but to implement some flexible policies under pressure from people's representatives, manufacturers, and businessmen. Chaos presently prevails as a result of divorcing laws and decrees from realities. People are at a loss as to what to do. No announcement has been made on abolishing laws made in the past, such as the so-called Regulations Governing Punishment for Treason and Rebellion; Measures for Banning the Goods and Articles Made by Communist Bandits; and Regulations for Administration of Agricultural, Mining, Industrial, and Commercial Sectors During the Emergency Period that prohibit people from trading with the mainland. It is not only out of keeping with the times but also contrary to the theory of law to formulate a special law now to prohibit people from conducting direct trade [with the mainland].

Man's will does not determine the development of situations. Haven't the authorities eased restrictions on importing 50 kinds of agricultural and industrial raw materials from the mainland? It is being reported that approval will be granted for the importation of 40 more kinds during the New Year. A shipment of coal from Datong, Shanxi, well known for its fine quality, was delivered to Taiwan last year. The first batch of 15,000 metric tons of rice produced in Taiwan was also sold and shipped to the mainland in January. Presently there are more than a dozen cargo ships that serve the two sides of the Taiwan Strait by six shipping lines at regular intervals. Many manufacturers and businessmen travel to the mainland to survey for industrial and commercial possibilities in the name of visiting relatives. They are preparing to invest and set up factories on the mainland. According to Taiwan's official statistics, the trade volume between the two sides of the Taiwan Strait reached \$2.5 billion last year; this year's trade volume is estimated to reach \$3.5 billion.

The general trend of the development of trade between private sectors on both sides of the Taiwan Strait is irresistible. The authorities' intention to prohibit people from freely conducting contacts and developing economic ties by a mere scrap of paper issuing prohibitions and bans is out of keeping with the times and will be very difficult to carry out.

Bush's Mainland Visit, 'Triangular Game' Viewed
OW0602234889 Taipei LIEN HO PAO
in Chinese 28 Jan 89 p 2

[Article by LIEN HO PAO Washington correspondent Wang Ching-hung: "The New U.S.-Communist China-USSR Triangular Game—On Bush's Visit to Peking"]

[Text] A visit to Peking is an event already on new U.S. President Bush's agenda. But the funeral for Japanese Emperor Hirohito provides very good timing for both Washington and Peking. On the issue of timing alone, Bush's "working visit" from 25 to 26 February, which forestalls the summit between Soviet Communist Party leader Gorbachev and Teng Hsiao-ping, gives the United States an edge in the great powers' triangular race.

Beware of the Pitfalls of a Hasty Visit

There are two explanations for Bush's making the Peking visit earlier than expected: One is that Teng Hsiao-ping is trying to gain advantage from both Gorbachev and Bush by luring them into competing with each other in making concessions. The other is that Bush and Teng Hsiao-ping are working together to force Gorbachev to back down over regional conflicts. This trip, which will give Bush the upper hand in terms of momentum and possible influence, will help reduce the great pressure likely to be brought by the summit between Communist China and the Soviet Union.

Of course, such a hastily arranged visit for Bush, who just came to power, is bound to have its pitfalls. Nevertheless, officials of the Bush administration claim that President Bush, being familiar with the China issue, will act with discretion.

Hope for Stabilizing Bilateral Relations

What the U.S. Government primarily has in mind in considering President Bush's possible Peking visit is that the trip will serve to stabilize and strengthen bilateral relations and demonstrate U.S. support for Communist China's open policy and economic reforms. In addition, it is the U.S. response to the normalization of relations between Communist China and the Soviet Union.

Although the relationship between the United States and Communist China has developed steadily, it has run into a few problems over the past year. That includes U.S. dissatisfaction over Communist China's supplying of missiles to Iran and Saudi Arabia, the U.S. clear-cut and unyielding stance on the human rights issue in Tibet, and Communist China's repeated complaints about U.S. trade policy, especially its slow pace in relaxing restrictions on science and technology transfer. Also, since last fall, Communist China has begun to adopt a toughened stand on "the Taiwan problem" again. This situation has led Bush's foreign policy advisers to believe that a visit to Peking by Bush would be helpful in quickly stabilizing relations between the two sides.

Communist China's open policy and economic reforms are still faced with many obstacles and suffer from great uncertainty. Like former President Reagan, Bush is also proud of the global trend of political democracy and economic freedom. He warmly welcomes Communist China's move toward opening up and economic reform. In 1984, when Reagan visited Peking, he talked a lot about democracy and the market-orientated economy, which gave enormous encouragement to the reformists in Communist China. Naturally, Bush also wants to have a chance to show his support for Teng Hsiao-ping, his followers, and their reforms.

To Be the First To Hold a Summit

Since Nixon opened Communist China's door and initiated the interaction in triangular relations between the great powers, the United States has gained a dominant position by having conducted summits both with the Soviet Union and Communist China, whereas the Soviet Union and Communist China have had no high-level contacts in 30 years. As Communist China and the Soviet Union are now in the middle of intense preparations for Gorbachev's Peking visit during April or May, it seems that the U.S. monopoly on summit talks is going to be broken. Although the United States is not worried that the Communist China-USSR relationship might return to what it was in the 1950's, it still needs to watch for the new changes and take corresponding measures.

Communist China has laid down three preconditions for conducting "relationship normalization" and a "summit" with the Soviet Union: Withdrawal of Soviet troops from Afghanistan, withdrawal of Vietnamese troops from Cambodia, and reduction in Soviet troops stationed on the Sino-Soviet border. Fulfillment of the three preconditions is in line with the common interests of the United States and Communist China. The Bush visit, made to forestall the one by Gorbachev, can give Teng Hsiao-ping extra clout in dealing with Gorbachev.

Communist China May Sound Bush Out

Teng Hsiao-ping looks on Bush as an old friend. During the presidential election campaign, Teng Hsiao-ping, in disregard of international protocol, publicly expressed to former U.S. Defense Secretary Carlucci, who was then visiting China, his wish to see Bush elected President. Apparently, he placed high hopes on his old friend. While Bush's visit was still being speculated upon, Peking had already made it clear that Bush was welcome to drop by. It is pretty obvious that Teng Hsiao-ping is eager to have Bush siding with him as a boost to his influence and prestige during his meeting with Gorbachev.

Teng Hsiao-ping was dissatisfied with the way the Reagan administration handled scientific and technological exports to, and trade with, Communist China in the past 8 years, and Washington's stand on "the Taiwan issue." The political reform and "flexible diplomacy" of Taipei have worried Communist China. At high-level contacts,

Peking again began talking about "the Taiwan issue." Even during ordinary business contacts, Peking "questioned" Under Secretary of State Armacost's and other high-level officials' attending the farewell party for Frederick Chien, former director of the Coordination Council for North American Affairs, and Deputy Foreign Minister Chang Hsiao-yan's making a public speech during his U.S. trip.

To Taipei's "flexible diplomacy," the Chinese Communists' "Ministry of Foreign Affairs" issued a strong statement, but the real target of this statement is not Taipei, because Taipei will not care about it. Actually, it is aimed at those countries that have diplomatic relations with the Chinese Communists, including the United States. Such being the case, Teng Hsiao-ping and other Chinese Communist leaders may take the opportunity of Bush's assumption of the presidency to square their old accounts with the Reagan administration and ask Bush to adopt a policy on the "Taiwan issue" more in line with the Chinese Communists' position.

When announcing Bush's visit to Peiping, White House spokesman Fitzwater said that the purpose of the visit is to reaffirm the relations between the United States and the Chinese Communists and to express support for the latter's endeavor to advance to an open society and its progress in economic reform.

Fitzwater's remark that the purpose of the visit is to "reaffirm" U.S. relations with the Chinese Communists implies that the United States has no intention of offering any new active proposal or making any compromise.

At his confirmation hearing before the Senate, Baker, the new secretary of state, unequivocally told [Claiborne] Pell, chairman of the Foreign Relations Committee, that the Bush administration will not change the policy on Taiwan and will continue to fulfill the commitments specified in the "Taiwan Relations Act." Asked whether the "Taiwan issue" will be included in the agenda of Bush's Peiping talks, Fitzwater also reiterated that the U.S. policy on Taiwan will remain "unchanged."

If Anything Goes Wrong, It Will Cause Trouble for the Future

In spite of the above, there is no guarantee that the Chinese Communists will not sound Bush out on these questions in order to find out if his stance is more friendly than that of Reagan.

The pitfall diplomats in Washington worry about is that, if the new President, on this first visit, says anything wrong or gives people an erroneous impression on major issues, he may cause endless trouble for the future.

Nonetheless, Bush's principal foreign policy advisers are inclined to regard this visit as a good chance for diplomacy. He would rather put more stress on this than on

that—that is, he would rather hold talks first with the Chinese Communist leaders, while leaving aside Gorbachev, who is eager to promote U.S.-Soviet relations.

Student Demonstrations in Xinjiang Commented On *OW0802055889 Taipei International Service* *in English 0200 GMT 7 Feb 89*

[Text] Hundreds of Uygur students in the Chinese Province of Xinjiang have held demonstrations against Chinese Communist rule there. The demonstrations have been on an intermittent basis and they have been going on since last June. They have been protesting the fourth planning program, which communist officials have come up with. Uygur students living abroad have formally urged the free world to support the Islamic Uygurs.

Reports have stated that the students have demanded democratic [word indistinct] and a better educational system. They have also said that they hope the Chinese Communists would stop using Xinjiang as a jail for criminals and the test place for nuclear weapons. According to sources, at the end of 1985, in order to protest Chinese Communist policies, tens of thousands of Uygurs marched in Peking and Shanghai.

Mainland Swimming Team Turns Down Invitation *HK0802101289 Hong Kong AFP in English* *0957 GMT 8 feb 89*

[Text] Beijing, Feb 8 (AFP)—China's national swimming team turned down a chance to compete in Taiwan after being asked if any of its members belong to the Chinese Communist Party, an official publication reported.

CHINA SPORTS NEWS said Tuesday [7 February] that the Chinese Swimming Association had received a "certificate for travel" to Taiwan from its counterpart on the island, conveyed by Hong Kong's swimming association.

It was accompanied by an oral invitation, again passed on by the Hong Kong association, for Mainland China to send its swimmers, divers and officials to Taiwan, the newspaper said.

The Chinese Swimming Association replied that it would be happy to do so but only if an "unconditional" invitation is received directly from Taiwan sporting authorities.

CHINA SPORTS NEWS said the "certificate for travel" had asked if any of the athletes or officials who would go to Taiwan were members of the Chinese Communist Party.

The document also stipulated that party members were not allowed onto the Nationalist-ruled island.

Placing conditions on who could compete for mainland China in Taiwan would "impede exchanges across the Taiwan Strait and go against the Olympic spirit," the Chinese Swimming Association said.

Last month the president of Taiwan's Chinese Taipei Olympic Association, Chang Fung-Hsu, said mainland swimmers would be welcome on the island but "on our terms."

Taiwan opened its doors to distinguished mainland scholars and athletes in November, one year after it allowed its residents to travel to China through intermediate points such as Hong Kong for the first time since the 1949 communist revolution.

But it continues to outlaw direct contact with the mainland—making it unlikely that a direct invitation to Chinese swimmers would be forthcoming, as the Chinese Swimming Association has hoped.

Government To Strengthen Ties With EC
OW0802055789 Taipei International Service
in English 0200 GMT 7 Feb 89

[Text] Because the EEC is going to become a single unified market in just over 3 years, Foreign Affairs Minister Lien Chan has stressed that his ministry is planning on contacting economic and trade officials in each of the nations. He said that within 2 or 3 years the results of this will be better and stronger contacts with the European communities.

According to sources, besides economic and trade authorities, ROC [Republic of China] financial and communications officials also plan on increasing contacts with concerned officials in Europe, and hope to develop better ties. The Foreign Affairs Ministry is playing the guiding role in the effort. The ministry revealed that, after the unified market is established in 1992, Europe will become much more important, both economically and politically. In preparation for this, the ministry hopes to be able to make a breakthrough in the coming months.

Minister on Trade With Communist Countries
OW0802025989 Taipei International Service
in English 0200 GMT 6 Feb 89

[Text] Foreign Affairs Minister Lien Chan stated that, in terms of trade, the ROC [Republic of China] has already liberalized regulations allowing ROC businessmen to conduct trade with Eastern Europe. In terms of other communist countries, Lien said that economic and trade officials are currently carefully reviewing the matter. He said that the development of trade is closely connected to the development of the nation as a whole. He noted that, if the ROC wants to meet its goal of becoming a major trading nation, there definitely cannot be any restrictions on which nations the ROC's businessmen can have dealings. However, since the current policy is that there can't be direct trade with many communist countries, officials are researching the possibility of conducting indirect trade. Lien said that this would develop bilateral trade relations.

Last year the value of the ROC's trade reached \$110 billion. This accounted for 40 percent of the nation's GNP. In addition, the ROC became the world's 13th largest trading nations. Foreign Minister Lien stated that this would definitely help improve the ROC's international standing.

In terms of sports and cultural exchanges with communist countries, Lien said that applications would be dealt with on a case-by-case basis.

Foreign Minister Gives New Year's Eve Address
OW0602190489 Taipei International Service
in English 0200 GMT 6 Feb 89

[Text] Foreign Affairs Minister Lien Chan, in a New Year's Eve address, stated that the nation will maintain its independent decisionmaking authority and, on the basis of mutual interests, will attend international activities. Lien, in his speech, spoke of the Foreign Ministry's accomplishments in the past year and goals for the next one. He said that in the New Year his ministry will not only go ahead with its normal governmental activities but will also work to strengthen avenues for ROC [Republic of China] citizens to get visas to other countries. He noted that the government is currently working to increase the number of nations which ROC citizens can visit without a visa or with multiple entry visas.

In addition, Lien said the government is working to establish more representative offices abroad. Finally, Lien asked for the support of all citizens to help in implementing the nation's policies and upgrading ROC's substantive relations with other countries around the world.

Government Recognizes New Paraguayan Regime
OW0702233789 Taipei Domestic Service in Mandarin
2300 GMT 5 Feb 89

[Text] Yesterday the Ministry of Foreign Affairs announced that that morning our country had sent a formal note to Paraguay recognizing the new government.

The Ministry of Foreign Affairs said the Paraguayan foreign minister sent a note to our embassy in Paraguay yesterday morning. The Paraguayan note expressed the willingness to strengthen relations with our country. Instructed by the Ministry of Foreign Affairs, Wang Sheng, our ambassador to Paraguay, formally sent a note to the new Paraguayan Government expressing our willingness to establish relations and strengthen friendly cooperation with the new government.

The new Paraguayan Government announced today that Stroessner, the overthrown former president of Paraguay, had been exiled to Brazil. According to sources at Asuncion Airport, Stroessner, who ruled Paraguay for 34 years, boarded a Boeing 707 of the Paraguayan Airlines at 4:00 in the afternoon of 5 February and left Paraguay.

That plane carried Stroessner and his family members. The exiled former Paraguayan President Stroessner arrived today in Sao Paulo, Brazil, at 5:15 in the morning Taipei time.

Government Office Studies Cable Broadcasting
OW0802032489 Taipei International Service
in English 0200 GMT 6 Feb 89

[Text] The Government Information Office [GIO] is currently studying the possibility of cable broadcasting, and it is expected that, in the future, they will liberalize regulations in the area. GIO Vice Director General (Liao Chun-hao) stated that if a regular (?two-way) system is

established for cable broadcasting in the ROC [Republic of China], then it will be possible to consider opening up cable broadcasting for the private sector to operate. He said that preliminary decisions have it that the current TV Broadcasting Law will be amended. He said that there is also a possibility that a new independent law will be formed.

The GIO has already formed a special task force to deal with the issue. Currently, the task force is looking at related laws in other countries. After a final decision is made, whether or not to liberalize the area, further detailed talks about opening up the business to the private sector will be discussed.

Hong Kong

Xu Jiatun's Lunar New Year Message Noted

Urges Sino-British Cooperation

OW0402165389 Beijing XINHUA in English
1507 GMT 4 Feb 89

[Text] Hong Kong, February 4 (XINHUA)—Xu Jiatun, head of the XINHUA NEWS AGENCY Hong Kong branch, today expressed the hope that the governments of China and Britain will closely cooperate in the new year as to implement the Joint Declaration on the Future of Hong Kong in a better way.

Xu said it was also his hope that the Hong Kong people from all walks of life will continue to improve the drafting work of the Hong Kong Basic Law through dialogues and consultations in a democratic and harmonious atmosphere.

He made these remarks at his Lunar New Year message here today.

In the past year, Xu said, the Hong Kong's [as received] economy maintained its good momentum of stable development after consecutive two digit growth for the past two years. The community has also made new progresses while continuously maintaining prosperity and stability.

The achievement which has not come easily is an embodiment of the wisdom of the Hong Kong people and the people from foreign countries and also a result of the friendly cooperation between the Chinese and British Governments, he said.

Xu sincerely hopes that Hong Kong will bring its own advantages into full play, boldly accept new challenges, closely cooperate with the mainland's economic development and advance together through learning and supporting each other.

Comments on Basic Law

HK0502050089 Hong Kong SOUTH CHINA
SUNDAY MORNING POST in English
5 Feb 89 p 1

[Text] Mr Xu Jiatun, China's top official in Hong Kong, yesterday said he hoped the drafting of the Basic Law would be completed in a harmonious atmosphere, marked by dialogue and democratic consultation.

The local director of the NEW CHINA NEWS AGENCY [NCNA] also said he hoped the British and Chinese governments would step up cooperation to implement the provisions of the Sino-British Joint Declaration on Hong Kong's future.

In his Lunar New Year message, Mr Xu said he firmly believed Hong Kong people would work together to contribute to the stability and prosperity of the territory.

"Social stability and economic growth come hand in hand," he said. "It is necessary to maintain social stability in order to guarantee a high degree of prosperity, and vice versa."

In the past year, Mr Xu said, Hong Kong society remained stable and local business grew rapidly in the wake of two-digit economic growth in the past two years.

He said these achievements were the result of the hard work of the Hong Kong people and the co-operation of the British and Chinese governments.

Speaking at the NCNA's Wan Chai headquarters, Mr Xu said the world would enter into a long period of peace because dialogue would replace confrontation.

"This provides a good chance for Hong Kong and the mainland to join hands to continue their co-operation to work for a bright future."

Mr Xu said hoped Hong Kong's achievements, which had not come easily, were an embodiment of the wisdom of the Hong Kong people and people from foreign countries.

Deputies To Attend NPC Basic Law Meeting

HK0702093389 Beijing XINHUA Hong Kong Service
in Chinese 0809 GMT 4 Feb 89

["Hong Kong Deputies to the NPC Will Attend the Sixth Meeting of the Seventh NPC Standing Committee as Nonvoting Delegates"]

[Text] Hong Kong, 4 Feb (XINHUA)—The Hong Kong deputies to the NPC have selected their representatives to attend, as nonvoting delegates, the Sixth Meeting of the Seventh NPC Standing Committee that is scheduled to be held in Beijing 15-21 February. The Hong Kong deputies to attend the Sixth Meeting of the Seventh NPC Standing Committee as nonvoting delegates will reflect the views expressed by the people of Hong Kong on the drafting of the Hong Kong Basic Law to the NPC Standing Committee so as to enable the NPC Standing Committee to acquire a better understanding of the situation concerning the discussion on "Hong Kong Basic Law (Draft)."

The Hong Kong deputies to attend the Sixth Meeting of the Seventh NPC Standing Committee include Wu Kang-min, Cheng Yao-tang, and Liao Yao-chu.

Because the Sixth Meeting of the Seventh NPC Standing Committee will discuss and approve "The Draft Basic Law of the Hong Kong Special Administrative Region of the PRC," the Hong Kong deputies to the NPC proposed to the NPC Standing Committee that some of the Hong Kong deputies to the NPC be invited to attend the Sixth

Meeting of the Seventh NPC Standing Committee as nonvoting delegates so that they will be able to brief the NPC Standing Committee on the situation concerning the discussion of the "Hong Kong Basic Law (Draft)." The NPC Standing Committee has therefore accepted this proposal and agreed to invite some of the Hong Kong deputies to the NPC to attend its sixth meeting as nonvoting delegates.

SRV To Send Specialist for Refugees
OW0402015489 Beijing XINHUA in English
1332 GMT 2 Feb 89

[Text] Hanoi, February 2 (XINHUA)—Vietnam will send a team of specialists to Hong Kong on February 10 to help its refugees, Vietnamese Foreign Ministry spokeswoman, Ho The Lan, announced at a news conference here this afternoon.

According to the agreement reached by Vietnam and Britain last October, the spokeswoman said Vietnam would allow its refugees in Hong Kong to return home on a voluntary basis.

She said the Hong Kong authorities had already handed Hanoi a list of 144 Vietnamese refugees who want to go home. She said the Vietnamese team would meet with the refugees before returning the official list to Britain.

Vietnam was now preparing to sign a specific agreement with Britain and UNHCR on repatriation formalities and financial subsidies for the refugees, who now number 26,500, she said.

About half of the refugees are waiting resettlement in third countries, while the other half are subject to a screening test introduced last June to determine their status.

If the refugees are found to have fled Vietnam for economic rather than political reasons, they will be detained pending repatriation to Vietnam.

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DATE FILMED

10 Feb. 89

